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PROBLEMS OF AN INTER-OCEANIC CANAL.

IN the fourth year of Robinson Crusoe's residence on his island he set about building a boat. Having felled a prodigious great tree, he hollowed and shaped it into a very handsome periagua; and then, as he was quite unable to drag it into the water, he undertook to dig a canal from the nearest creek. After beginning this task, however, he found himself utterly unable to finish it, and was forced at last to give over the attempt. "This," he says, "grieved me heartily, *and now I saw, though too late, the folly of beginning a work before we count the cost, and before we judge rightly of our own strength to go through with it.*"

Here, surely, was a most "un-American" conclusion. For, whatever else "Americanism" may mean, it is at least certain that to go ahead without any thought of the consequences has ever been reckoned one of our most conspicuous national characteristics. It has, indeed, been in some considerable degree the source of our strength; for reckless daring is the virtue of the pioneer. But it is a virtue by no means favorable to the conduct of great enterprises whose success is conditioned upon complete organization and the command of large capital.

This national characteristic has of late been very conspicuously exhibited in reference to the proposed Nicaragua Canal. The country has apparently been quite ready, for some time past, to plunge light-heartedly into the work of construction,

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and has been content to leave the cost to be settled later. So summary a method of dealing with a most serious national problem has, however, not commended itself as yet to the government of the United States; and Congress, in the River and Harbor Appropriation Bill of March, 1899, has, with quite unusual prudence, voted an appropriation to cover the expense of a further inquiry. The act provides as follows:

> The President is authorized to make investigation of any and all practicable routes for a canal . . . with a view to determining the most practicable and feasible route for such canal together with the proximate and probable cost of constructing a canal at each of two or more of said routes: And the President is further authorized to investigate and ascertain what rights, privileges and franchises if any may be held and owned by any corporations, associations or individuals, and what work, if any, has been done by such corporations, associations or individuals in the construction of a canal at either or any of said routes, and particularly at the so-called Nicaraguan and Panama routes respectively; and likewise to ascertain the cost of purchasing all of the rights, privileges and franchises held and owned by any such corporations, associations and individuals in any and all of such routes, particularly the said Nicaraguan route and the said Panama route; and likewise to ascertain the probable or proximate cost of constructing a suitable harbor at each of the termini of said canal, with the probable annual cost of maintenance of said harbors, respectively. And generally the President is authorized to make such full and complete investigation as to determine the most feasible and practicable route across said Isthmus for a canal, together with the cost of constructing the same and placing the same under the control, management and ownership of the United States.
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> To enable the President to make the investigations and ascertainments herein provided for, he is hereby authorized to employ in said service any of the engineers of the United States Army at his discretion, and likewise to employ any engineers in civil life, at his discretion, and any other persons necessary to make such investigation, and to fix the compensation of any and all of such engineers and other persons.

The comprehensive inquiry contemplated by this act of Congress, if adequately pursued, ought to throw light on many subjects now obscure, and ought to settle authoritatively many

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points which are still open to discussion; but, if the language of the act be strictly followed, the president's agents will deal only with some of the less interesting aspects of this many-sided problem. However, the evidently inexperienced legal draftsman who framed the wordy and clumsy paragraphs quoted above probably supposed that he was providing for the widest possible inquiry; and perhaps regard will be had to the spirit rather than to the letter of this legislation. Certainly the result of the investigation will not prove completely satisfactory, if the commission is content with ascertaining merely the probable cost of a canal from an engineering point of view. If we are to reach a complete understanding of the subject, it will be necessary also to take into consideration the entire diplomatic situation, and the naval and military expenditure which must necessarily be incurred in obtaining and maintaining effective control of the canal. Nor should the debit items alone engage attention. The credit side of the account should be carefully examined; for it is only when the entries are all made and a balance struck that the real value of the great work in contemplation can be rightly estimated.

I.

A summing up of the advantages of a canal across the American isthmus certainly makes a very impressive aggregate. No one can doubt that such a canal, open on equal terms to the peaceful commerce of the world, would prove of immense value to civilization; nor can any one doubt that in some special measure it would prove of advantage to the United States. Nor is it, perhaps, very difficult to form some satisfactory opinion as to the extent to which the commerce of the world would be stimulated. Such calculations have frequently been attempted. If based upon an intelligent study of trade statistics, covering so large a number of countries and so long a period of time as to furnish trustworthy averages, estimates will be sure to prove instructive. But when any attempt is made to define or measure the special benefits that are likely to

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accrue to the United States, the inquiry assumes a different aspect and is complicated by all manner of uncertainties. Every conclusion under that head must largely rest upon individual judgment as to the future action of an infinite variety of economic forces, acting under conditions which as yet can only dimly be foreseen.

Take, for instance, the anticipated cheapening of freights. It would not be hard to calculate the probable cost of carrying different classes of goods from New York to Shanghai by way of an inter-oceanic canal, taking the present known cost of ocean carriage for long voyages and the probable tolls on the canal. The time of such a voyage could also be closely estimated. A comparison of the present time and cost by rail to San Francisco, and thence by steamship direct to Shanghai, would then exhibit the differences in time and money; and a still more complete comparison could be made by also reckoning the time and expense now involved in shipping to Shanghai by steam *via* the Suez Canal and by sail around the Cape of Good Hope. And, taking into account the present rates of interest and the existing methods of banking, a tolerably accurate estimate could be made of the relative advantages of these several modes of shipment. Similar comparisons between many pairs of ports — one port on the Atlantic and one on the Pacific — could in like manner be made. But it must not be forgotten that, if such comparisons had been instituted twenty-five years ago, transcontinental railroad charges would have figured at rates vastly above the rates of to-day, so that the result would at that time have been far more successful than now in showing the relative cheapness of water carriage. And who shall say how this relative cost will be computed twenty-five years hence?

Take, again, the question of our navigation laws and our tariff. Their present influence on commerce is certainly very considerable, though it is not now necessary to examine the direction and force of such influence. But it is perfectly clear that the continued maintenance of these laws, on the one hand, or a radical modification of them, on the other, will have a pro-

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found effect upon the nature and the volume of the traffic of any inter-oceanic canal and, still more, upon the benefits which the United States would derive from its operation.

And yet, although the estimates of the purely commercial advantages of a canal to the people of the United States will thus necessarily be affected by all manner of uncertainties, and will necessarily depend upon varying forecasts of the future, it is certain that a complete, impartial and well-digested collection of all the relevant facts will be immensely useful. Of course a mere compilation of statistics will not be enough. Nor will it do to confine the inquiry to our own trade. It should also embrace a thorough investigation of the probable effect of a canal upon the commerce of each of the other leading maritime nations, both absolutely and relatively to the commerce of the United States. Otherwise no exact understanding of the matter can be had. If, as is quite possible, it should turn out to be the fact that the trade of European countries to some of the countries bordering on the Pacific was likely to increase in consequence of a canal much faster than our own or at our expense, then, to that extent, the canal might be regarded as a detriment to us commercially rather than a benefit. We certainly would not wish to spend money in improving the trade of our business rivals and in thereby cutting down our own trade, unless we felt sure of some very great counterbalancing advantages. Hence, the effect of a canal upon the relative volume of trade from different countries — particularly upon the volume of the trade of Great Britain and that of the United States — is worthy of the most complete and painstaking examination. Moreover, it is apparent that so comprehensive an inquiry will be one of extreme difficulty, and that its results will be accepted only when they are announced as the conclusions of men of the highest character and attainments. But this circumstance serves only to emphasize the importance of securing such an investigation.

The military and naval advantages of a canal to the United States are also matters which deserve to be carefully studied. The conclusions of students of the art of war will vary, how-

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ever, according to the assumptions upon which their reasonings are based, three states of fact being possible: first, in time of war the canal may be open to all belligerents; second, it may be closed to all; or, third, it may be open to some and closed to others. A complete discussion would, of course, take each of these hypotheses into account; although it would probably be safe to assume (for reasons to be stated below) that the whole power of the United States would always be exerted to keep the canal closed to any nation with which we might happen to be at war.

II.

The engineering cost of a canal at Panama or Nicaragua is now, fortunately, a matter capable of tolerably exact statement. It is, no doubt, conceivable that further examination of the Isthmus of Darien may yet reveal the existence of a canal route which is physically superior to either, although such a discovery is in the highest degree improbable. With our present knowledge, however, it must be accepted as a fact that at Panama and Nicaragua are the only practicable canal routes across any part of the American isthmus. It may also be fairly considered as settled that neither of these two routes presents any insuperable obstacles and that, as an original proposition, the Nicaragua route is on the whole the better of the two. But, comparing the two to-day, they do not by any means stand upon an equal footing.

In the first place, the Panama Canal is already partly finished. It is not at present easy to state what proportion of the work is actually done. The quantity of cubic yards excavated and to be excavated (assuming that the present plans for completion are not changed) are, of course, matters that can be ascertained pretty closely. At the same time, the relative value of the wasteful expenditures already made for installation, and the probable cost of dams, locks and other subsidiary works yet to be built, are matters quite open to discussion. Lieut. Charles C. Rogers, U. S. N., in his report to the navy

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department in June, 1887, stated that nearly 35,000,000 cubic metres had been excavated and that, placing a reasonable estimate on the value of the installation, the canal might be considered at that time as at least one-third finished. M. Bunau-Varilla, writing in 1892, after the collapse of the Lesseps company, estimated the actual excavation then made at 50,000,000 cubic metres and the amount to be excavated at 43,000,000 cubic metres; and on his plans he placed the probable cost of completion at $112,000,000. The present Panama Canal Company asserts that fully forty per cent of the work is completed, the value (not the cost) of what has been so far done being about $90,000,000 and the cost of what remains being estimated at from $102,000,000 to $125,000,000, according to the width ultimately determined on for the locks.

The foregoing statement, however, exhibits only a part of the truth; because the most important fact about Panama is that the formidable difficulties in the way are now, thanks to a long and costly experience, precisely known. It was hopeless, of course, for M. de Lesseps to attempt to calculate the cost of a canal which was to be cut through earth and rock whose character was not fully ascertained; when he was ignorant of the kind of labor he could secure or the wages he would have to pay; and when the influence of the dangerous climate of Panama on the health and energy and intellectual efficiency of the white men necessarily employed in the supervision and direction of the enterprise could not be exactly foreseen. The computation of his unit prices was, therefore, arrived at only by multiplying together a number of unknown quantities, no one of which could even be guessed at in the light of any adequate previous experience. Now, after some fifteen years of actual work, in the course of which many thousands of men have been employed and many millions of cubic metres of earth and rock have been removed in all parts of the isthmus, the elements of cost have been definitely established.

At Nicaragua, on the other hand, even the work of installation is hardly begun. Quarters for negro laborers and for

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white superintendents and engineers, hospitals, workshops, repair shops, wharves, dredges and other permanent machinery are mostly lacking. The indispensable railway along the line is yet to be built. Nor are the physical conditions even now fully understood. Repeated and careful surveys have enabled the profile of the canal to be established with sufficient exactness, and numerous borings have revealed the depth and character of the soil; but, on the other hand, the effect of tropical sun and rain on the earth slopes cannot be absolutely known, statistics as to rainfall and river floods are still incomplete, and there does not seem to be any adequate knowledge as to the probable wage cost or efficiency of labor in that climate, or as to the effect on the health and energy of white men of an extensive disturbance of the soil of those tropical marshes and forests.

The Nicaraguan canal commission, of which Admiral Walker is chairman, presented to the president, in January, 1899, a preliminary report relative to their progress "in investigating the question of the proper route, the feasibility and cost of construction of the Nicaragua Canal." Their several estimates of probable cost differed widely among themselves; but, for present purposes, an average of the figures — or, say, $125,000,000 — may be accepted as representing the best opinion as to cost of careful, disinterested and highly competent engineers, after a prolonged personal examination of the locality. This estimate, however, does not profess to take into account the cost of right of way or any expenses which may be called "diplomatic." Moreover, it is apparent that many unknown or partly unknown quantities enter into the computations of these engineers. Some of these have been alluded to above. Certain special problems may also be justly regarded as doubtful. Thus, the unusually large dams proposed at various points probably involve serious uncertainties; and the construction of artificial terminal harbors, especially in the curiously shifting sands at Greytown, may give rise to almost insuperable difficulties.

Quite apart from and in addition to the engineering difficul-

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ties at Nicaragua are the legal embarrassments, arising from the conflicting concessions and agreements made at various times by the Nicaraguan and Costa Rican governments, which may involve heavy expense of one kind or another before an indisputable title can be obtained.

In respect to the inquiry as to first cost, the task of the new government commission is, therefore, perfectly well defined. It will be their duty to examine carefully all the routes, to ascertain what items in the estimates for future work are uncertain or are based on insufficient data, and to indicate within what limits of probable error such estimates may be received. They must also consider the possible risks of such special features as the control of rivers, the construction and maintenance of the Greytown Harbor and the water supply of the summit levels. And they should tabulate in convenient form the estimates for the two routes, so as to facilitate comparisons, and should give their own final estimates of the probable cost of each canal, if each were completed with the same depth of water, the same width of waterway and the same size of locks.

A further and most essential part of their duty will consist in presenting an accurate legal and financial statement of the concessions now in existence for each of the two undertakings, and in ascertaining "the cost of purchasing all of the rights, privileges and franchises held and owned" by any company, for either the Nicaraguan or the Panama route.

III.

The first cost of an inter-oceanic canal will, after all, be a matter of minor concern to all but the stockholders of the constructing corporation. If built by the government of the United States, the cost will but slightly affect each taxpayer; and, therefore, the argument of the more earnest advocates of government construction is that the first cost, whether one hundred or two hundred millions, is of small consequence in comparison with the advantages to our commerce and to our

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naval operations. No calculation of the ultimate expense of the canal will be complete, however, if it fails to bring into the account the annual charges likely to be incurred in keeping the waterway always open, both in peace and in war; although the very nature of these charges is such that it will be extremely difficult for any official body to discuss them freely. They are, nevertheless, of the most serious importance.

It must be assumed that the canal will be open at all times to the commerce of all nations — or, at any rate, to the commerce of all with whom we are at peace — upon equal terms. Any attempt to impose differential tolls would raise universal difficulties, and would almost certainly have to be abandoned. Under these circumstances, it may fairly be expected that the receipts will be amply sufficient to defray the ordinary cost of maintenance.

But the canal must not only be physically open: it must at all times be free from interruption by armed force. Vessels starting from Europe or Asia must have every reasonable assurance that no chance Central American revolution will interrupt their tranquil passage through the canal. That is to say, commerce will require, as an indispensable condition, that the line of the canal shall be at all times efficiently policed by or under the supervision of a strong northern nation or group of nations; and it is the anticipation of this requirement that has given rise to the burning question of international guaranties.

The earliest of our subsisting treaties dealing with this question is that of December 12, 1846, with New Grenada (Colombia). By the terms of that instrument the republic of New Grenada guarantees that

> the right of way or transit across the Isthmus of Panama upon any modes of communication that now exist, or that may hereafter be constructed, shall be open and free to the Government and citizens of the United States,

upon the same terms as those imposed upon Grenadian citizens. In return, the United States guarantees

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positively and efficaciously the perfect neutrality of the before-mentioned isthmus, with the view that the free transit from the one to the other sea may not be interrupted or embarrassed in any future time while this treaty exists.

Under these stipulations the government of the United States has claimed and exercised the right to send armed bodies of men in transit across the isthmus and to land forces for the preservation of peace and good order.

The treaty of June 21, 1867, with Nicaragua is similar in effect. By its terms the republic of Nicaragua grants to the United States, and to its citizens, the right of transit between the Atlantic and Pacific Oceans, "on any route of communication, natural or artificial, whether by land or water, which may now or hereafter exist or be constructed"; the United States agrees to extend its protection "to all such routes of communication as aforesaid, and to guarantee the neutrality and innocent use of the same"; and the United States is authorized to employ military force for the security and protection of persons and property, being bound to withdraw such force whenever, *in the opinion of the government of Nicaragua*, the necessity for such employment ceases. This treaty, however, differs from the treaty with New Grenada in one important particular; for it contains the pregnant clause, that the United States "agree to employ their influence with other nations to induce them to guarantee such neutrality and protection." That is to say, the United States, as late as 1867, under Mr. Seward's administration of the state department, contemplated a general joint guaranty of any American canal route.

A joint guaranty had previously been agreed upon with Great Britain, under what is known as the Clayton-Bulwer treaty. This much discussed treaty was signed on April 19, 1850, — seventy-five years after the Battle of Lexington, — before the development of steam navigation had rendered the Suez Canal commercially possible, before a transcontinental railway was practicable, and at a time when the discovery of gold in California seemed to render an inter-oceanic canal an

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early necessity. It was in form intended to effect five principal objects:

1. The United States and Great Britain were to unite in jointly protecting persons engaged in building any canal or railroad across the American isthmus from "unjust detention, confiscation, seizure or any violence whatever."

2. They were to protect the canal, when completed, from interruption, seizure or unjust confiscation, and "to guarantee the neutrality thereof, so that the canal may forever be open and free and the capital invested therein secure."

3. "Vessels of the United States, or Great Britain, traversing the said canal," in case of war between the contracting parties, were to be exempted from blockade, detention or capture by either of the belligerents.

4. Neither party, it was agreed, would ever obtain for itself or maintain any exclusive control over the canal, or erect any fortifications commanding the same or assume any dominion over any part of Central America.

5. All other nations were to be invited to enter into similar stipulations, to the end that they might "share in the honor and advantage of having contributed to a work of such general interest and importance as the Canal herein contemplated."

The importance of this treaty, in its bearing upon naval operations, will be considered below. At this stage of the discussion it is enough to point out that a joint guaranty by two or more strong powers, such as was designed by the Clayton-Bulwer treaty, would be exceedingly satisfactory to the commerce of the world, for it is precisely the arrangement under which the Suez Canal has been worked since 1887.

Turning now from the requirements of commerce to an examination of the effect of the canal on naval operations, whether for attack or defense, some useful ideas may be gathered from a consideration of the recent voyage of the *Oregon*. It has frequently been said of late, both in Congress and out, that this voyage demonstrated the imperious necessity of a canal, and that the people of the United States would never tolerate the possibility of having another battle-ship called on

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to make a similar journey. Suppose, however, that the canal were actually in existence. At either Panama or Nicaragua it would be carried through from six to ten locks, in a country full of turbulent and lawless people, most of whom last spring were eager sympathizers with Spain. In those hilly and thickly wooded regions it would be absurdly easy to lay a mine at almost any point of the canal and to connect it with a secure firing station at a distance. Without going to such cruel extremities, two resolute men, each with a stick of dynamite, could blow up a couple of locks and imprison a ship indefinitely. Even the sinking of a moderate-sized scow across the canal would serve to block it.

Bearing in mind these possibilities, and with the fate of the *Maine* (destroyed in spite of far greater difficulties) before his eyes, is it not likely that, great as Captain Clark's anxieties actually were, he would have preferred to risk the known dangers and delays of the Straits of Magellan rather than the passage of a canal running through a Central American state? He might, indeed, under some readily conceivable circumstances, have deemed it his duty to incur great risks in order to attain great ends. But it is plain that, in the condition of feeling which existed in South and Central America a year ago, a battle-ship of the United States would have been in deadly peril while in transit through the isthmus — unless, indeed, the line had been strongly guarded by thoroughly trustworthy troops.

A canal will, therefore, be of little value to our navy in time of war, except upon condition *that the entire line is well guarded by an adequate force on shore.*

As to the strategic advantages which a securely policed canal would afford, an unmilitary writer can speak only with the utmost diffidence. It is, of course, apparent that, if we were at war with an adversary of nearly equal naval strength, the ability to concentrate all our naval forces with rapidity might prove well-nigh decisive; and it also seems clear that, if the adversary was able to concentrate his forces with equal celerity, the advantage might be neutralized. But if we were

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at war with a naval power much stronger than ourselves, the case might prove to be materially different. Suppose a war with France, and suppose that her fleets — outnumbering ours perhaps two to one — could pass freely back and forth through the canal to attack our coasts: the canal then would apparently become a source of very serious danger.

It is, therefore, plain that, from the point of view of possible war, we shall get small advantage or none from the canal, except on this further condition: *that our ships may pass through freely and that our enemies' ships may not.* And this condition is generally, though perhaps tacitly, assumed as an essential feature of any canal through the American isthmus.

The Suez Canal convention, however, provides that that canal shall be open in time of war, as well as in time of peace, to the naval vessels of all nations; and it may well be asked why Great Britain has been willing to permit such an arrangement, under a general international guaranty, when her situation in respect to India is so similar to ours in respect to our Atlantic and Pacific states. The answer must be that the situation is only superficially similar. The Suez Canal does not, at either end, terminate in the open ocean, but in closed seas, of both of which Great Britain, at Gibraltar and Aden, holds the gates. Moreover, Great Britain, as the first naval power in the world, is in a position where she scarcely need fear the ability of an enemy to concentrate at any point a superior naval force. Finally, she actually holds military possession of the line of the canal and, treaty or no treaty, she would doubtless find means to close the transit to her more formidable enemies. With the United States, having in view the physical characteristics of the coast, our peculiar political relations to our Central American neighbors and the fact that we are only the fifth, and not the first, naval power of the world, the case is radically different. Moreover, the recent great developments in the speed and the radius of action of modern war-ships have given to the problem an aspect entirely different from that which it presented thirty or more years ago. The sober judgment of the nation seems, therefore, of recent

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years to have come, on the whole, to support the conclusion expressed by President Hayes, that the policy of the United States is to have a canal under American control.

Possibly this judgment is based upon quite mistaken notions. It would, accordingly, be most desirable if the inquiry now to be made under the act of Congress were so extended as to embrace a thorough examination of the probable value of the right to close the canal to our enemies in time of war; for this, after all, is the single point really involved in the discussion between the advocates of international guaranties, on the one hand, and the advocates of exclusive control by the United States, on the other.

It is, of course, apparent that Mr. Hayes's policy of "American control" is directly opposite to that of the Clayton-Bulwer treaty; and there have, therefore, been frequent efforts on the part of our government to relieve itself of the obligations imposed on us by that agreement. Various methods have been suggested. We might, in the first place, deliberately repudiate our contract; and that course has been openly advocated in Congress. Fortunately, the inexpediency of so doing has been too manifest to lead to the adoption of so radical a plan. The immorality of the proceeding has received little consideration.

A second plan has consisted in an attempt to prove that the treaty is no longer in force. Mr. Blaine, Mr. Frelinghuysen and Senator Edmunds, among others, have tried at various times to establish this proposition. But, as the recent debates in the Senate show, they have failed to convince their own countrymen, much less the British.

The third course, which has not yet been tried, is simply the manly and straightforward one of asking Great Britain to agree to cancel the bargain. Whether Great Britain would consent to abrogate the Clayton-Bulwer treaty, and on what terms, are obviously matters about which no one can speak with authority. There are, however, numerous indications that she might consent; and it is possible that she might ask no compensation. On the other hand, in demanding reasonable compensation she would be perfectly within her rights; and the price we should

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have to pay her for such a concession would be the first item of purely national concern in the cost of a canal.[1]

IV.

Assuming, then, that we can come to an understanding with Great Britain, we are next to consider what the phrase "a canal under American control" really means, and what the United States will be compelled to do in order to secure and maintain that control.

So far as concerns times of peace, — that is to say, times in which the United States itself is not at war, — the protection to be accorded the canal will consist only in guarding, first, against any interruption of traffic by disturbances on the isthmus; and, second, against any spoliation by the local government of the property of the canal enterprise itself. The latter function is only the ordinary diplomatic protection which every government extends — in theory, at least — over its own citizens or subjects in a foreign country. But in the case of the canal, if the capital of foreigners was invested, we should have to give equal protection to their interests.

> The capital invested by corporations or citizens of other countries in such an enterprise [to quote President Hayes once more] must, in a great degree, look for protection to one or more of the great powers of the world. No European power can intervene for such protection without adopting measures on this continent which the United States would deem wholly inadmissible.

It is upon the United States, therefore, that the duty of affording protection will wholly fall; and we must be ready at all times to keep the traffic of the canal open, whatever may be the nature of the interruption and whatever may be the

[1] I desire to express my obligation to Professor Woolsey's articles: "An Inter-Oceanic Canal in the Light of Precedent," and "An Inter-Oceanic Canal from the Standpoint of Self-Interest," published in the *Yale Review* for November, 1895, and February, 1896, and recently reprinted in his America's Foreign Policy. I am happy to find that the views here expressed, and long held by me, as to our international rights and duties, are in the main confirmed by the great weight of his authority; although I cannot entirely agree in his estimate of the value of the Clayton-Bulwer treaty.

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nationality of those immediately concerned. In other words, by assuming control we assume the heavy responsibility of providing for the peace and good order of the isthmus. Other commercial nations will probably not object to our taking up this burden, provided only that we perform our duties effectually; but they will hold us to a very strict account.

We must not only see that peace and good order are preserved, but we must also be prepared to act at the shortest notice. The vast interests involved could never tolerate such unreadiness and consequent delay as characterized our action in 1885, when we sent a body of marines from New York to quell disturbances on the isthmus. It will no longer do for us to wait until a revolution has gathered headway before we begin to collect our troops; nor will it do to dispatch them from a point so distant as New York. Thus, even in time of peace, we shall find it essential to maintain, within a comparatively short distance of the canal, an adequate military force always ready for active service. The necessity for strong military support in time of war is still more apparent.

Control by a single nation will also involve a much more complete physical command of the canal than any system of international guaranties would require. The reason is plain. In the event of a war between two European powers, the Suez Canal would not be the scene of actual conflict, because all neutral powers would assert their rights under the treaty and would insist that the belligerents should settle their quarrel elsewhere. A simple police force is, therefore, all that is required in the neighborhood of the canal; and indeed, the British government maintains no greater military force in Egypt than she considers necessary to maintain order throughout that country. Her neighboring posts in the Mediterranean and the Red Sea are essentially naval stations.

But if a canal across the American isthmus were once finished, and if there were no international guaranty of neutrality — then, in the event of a war in which the United States was involved, the canal would become a strategic position of the utmost consequence. Our enemy would, if a strong naval

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power, put forth every exertion to open the route to her own war-ships — or, failing that, at least to close it to ours. Now it is evident that, if we intend (as I think we do intend) to keep the canal open to our own ships at all times and under all circumstances, we can do so with certainty only by maintaining on the spot a military force so numerous, so well armed and so securely intrenched as to be safe from any threatened attack. The maintenance of such a force will compel us to keep open the lines of communication between it and the United States; and this in turn implies the possession of a naval force close at hand, which shall be powerful enough at least to drive off a blockading squadron from one end of the canal.

Such seem to be the inevitable conditions of exclusive control. If they are to be complied with, and if a military force is to be permanently maintained near the canal, the posts it occupies must be strongly fortified. If a naval force is to be maintained in those waters, well-fortified coaling stations and dockyards must also be provided. At present the United States has no possessions in or near Nicaragua or Panama; and the question therefore arises as to how and when, under existing circumstances, we could make our separate and individual control effective. Clearly we cannot go down to the isthmus whenever it suits our convenience. Nor can we hope at present to obtain from the local governments any such cession of sovereign rights as will enable the government of the United States to prepare, as it should, for extending, single-handed, complete protection to all our national interests.

But if the local governments continue steadfast in their refusal to permit us to occupy their soil permanently with a strong military force, how are we to secure the essential "American control" of the canal? If we try to occupy the country against the will of the inhabitants, we must wage a war of conquest. Quite apart from the morality of any such proceeding, it is plain that it will not pay. We have already on our shoulders quite as large a share of "the white man's burden" as we can conveniently carry. We seem, therefore, to be confronted by a serious dilemma; for, if we undertake to con-

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trol the canal alone, we must be prepared to control it absolutely. But we cannot control it absolutely, unless we can establish strong garrisons upon or very near to the canal; and we can maintain no garrisons in South or Central America, because the country is not ours.

Of course these logical difficulties will not be permitted to stand forever in the way of digging a canal. We shall probably not forego our declared policy of "American control," and we shall not as yet attempt to conquer the country. But it does not seem to be very hazardous to predict that sooner or later, after the canal is built, we shall be found in permanent possession. The experience of England in Egypt will very likely be repeated on American soil. Disturbances of the same general nature as Arabi's rebellion are certain to arise in the neighborhood of the canal. These the local governments, made up of men of mixed Indian, Aryan and Moorish blood, will be unable to suppress. The United States will be called upon either by property owners, or by shipping interests, or by the local government (as we were called upon by Colombia in 1885), to enforce our guaranties of peaceful transit. Armed occupation will follow, which will be officially described as temporary. And eventually, upon some such occasion, with the full approbation of all the capital concerned, our occupation will be converted into some form of permanent protectorate, more or less disguised; just as the British occupation of Egypt has gradually acquired its present permanent character.

The questions, therefore, that we ought now to have seriously considered and plainly answered are these: If it shall turn out ultimately to be necessary for us to occupy the region through which the canal will pass, and to build forts and dockyards, how much will it cost? What will be the annual charge for our ordinary garrisons? Shall we need 10,000 or 20,000 or 30,000 troops to maintain order and afford that absolute guaranty of protection which we must promise all interests, national and commercial? Unfortunately, no definite or even approximate answers can be given in advance. Competent military and naval officers could probably state, with some

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degree of certainty, what would be the requisites for effective defense; but the whole subject lies so much in the future, and involves so largely the question of the probable conduct of the natives, that no useful estimate in figures can yet be made. Nevertheless, all the conditions of an effective and separate control by the United States ought to be carefully studied and defined; for no one who will candidly consider the situation can possibly doubt that this element of cost must eventually play a great, and perhaps a decisive, part in determining our national policy towards the inter-oceanic canal.

V.

These, then, are the general lines upon which any really complete inquiry concerning the net cost of an inter-oceanic canal ought to be conducted. The further question, whether the canal should be built by private capital or by the use of the credit of the government of the United States, is one that must be determined by Congress and one that involves, perhaps chiefly, considerations of domestic policy. The inquiry to be made under the recent act is intended to cover, not only the selection of the best canal route, but also "the cost of constructing the same and placing the same under the control, management and ownership of the United States"; and the act evidently looks to the collection of information with a view to determining the policy of the government as to ownership.

From an international point of view, the status of the canal would probably be much the same, no matter whose money built it. As a stockholder or bondholder in the enterprise, the United States would theoretically stand in no different position from that in which others stood; although, if the canal were built directly with the money of the United States under a sort of international partnership, — as was proposed in the abortive Frelinghuysen-Zavala treaty of 1884, — many new and difficult questions would probably arise. The knot in that case would very likely be cut in Alexander's fashion.

The objections to construction by a use of the credit of the

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United States government (leaving out of sight all constitutional objections) are: first, the risk of such scandals as usually attend large business undertakings under political control; and, second, the present unreadiness of this government to assume the new responsibilities to which the completion of the canal will inevitably give rise.

The first of these objections would not apply in any degree to construction by private capital, provided it were not — like the Lesseps enterprise or the old Union Pacific Railway — dependent upon government help. The second objection would be in effect the same, no matter who built the canal. But it makes a world of difference whether the United States government simply permits private capital to build or proceeds to build itself. To stand by and not interfere with private enterprise is a course that no one — except, possibly, a few extreme and impatient advocates of the Nicaragua route — would object to; although we may all be perfectly alive to the nature of the obligations which we shall have to assume as soon as the work is finished. Construction directly by the United States government will, on the other hand, always be highly distasteful to a very large proportion of our citizens.

The President of the United States, in defending the course of his administration concerning the Philippine Islands, recently took occasion to speak with severity of those prophets of evil who always prefer to do nothing, because they flinch from sacrifice and effort; and he added, quite truthfully, that without contributions from our ease and purse and comfort nothing can ever be accomplished. Nations, as well as individuals, who make mountains out of mole hills, of course can never hope to succeed. On the other hand, those who attempt great enterprises without sufficient thought and preparation are doomed to certain and scandalous disaster. The man or the nation that is to carry on any new and important undertaking, is concerned, like the student of nature, with nothing but the truth. To consider and weigh the facts; to follow the truth, pleasant or unpleasant, wherever it may lead; to estimate justly and fairly and without exaggeration the risks to be incurred; to face the

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chances of success and failure, with a clear understanding and an impartial mind — such are the essentials for success in great undertakings. It is much to be desired that the government of the United States may be brought to look in this spirit at the question of constructing a canal.

As a wise investor, Congress might, not impossibly, come to the conclusion that the risks of this undertaking were such as should for the present deter us from entering upon it. If such a cautious decision were arrived at, it would not follow that we should refrain from making ready to take up the task of control, in case we were in future compelled to carry on the work of construction or in case private capital should find it possible to complete a canal. On the contrary, there are many preparations which this government ought now to be making, if it is intended to assume the sole control of the canal within the next ten years. Among these are: (1) abrogation of the Clayton-Bulwer treaty; (2) negotiations with Nicaragua and Costa Rica, or with Colombia, as the case may be, to secure the best possible arrangement for enabling us to protect our interests and fulfill our obligations as the guardian of peace and order; (3) intelligent reorganization of the army; (4) creation of regular diplomatic, consular and colonial services.

All things, it is said, come to him who *knows how* to wait. We need not be ashamed to view the risks and responsibilities which we must assume when this canal is built with a real sense of awe at their magnitude and difficulty, for we know how unprepared this nation is to assume such added burdens. When the time comes, they must be taken up manfully; and it is to be hoped that we shall in the mean time have the patience and good sense to look facts fairly in the face, to prepare honestly to carry our work through to the end, to "judge rightly of our own strength to go through with it," and to realize that the task is one "not to be enterprised or taken in hand unadvisedly, lightly or wantonly; but reverently, discreetly, advisedly, soberly and in the fear of God."

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ENGLAND'S COMMERCIAL POLICY TOWARDS HER COLONIES SINCE THE TREATY OF PARIS. II.

THE reform of the Navigation Laws, which began with Wallace's measure in 1822, was the inception of a systematic reform, culminating in Huskisson's measures in 1826, which practically swept away all the burdensome restrictions that affected the trade of the colonies and gave them freedom to develop. The partial modifications had worked so ill that it became necessary to reconsider the whole policy and to adapt it to the changed circumstances of the political, commercial and colonial world. When the Navigation System was established, the competitors of England were all European nations: Asia, Africa and America were merely spheres of colonization, for a share of whose commerce the different European nations competed. On these continents there were no maritime nations whose power was feared. As the number and the area of the independent nations extended in these continents, the colonial sphere contracted. The situation in the first decades of this century, when the Portuguese colony of Brazil and then the Spanish colonies of South America asserted their independence, was analogous to the situation which existed when the United States achieved their independence. "Great Britain had no choice but to apply the European principles to the commerce and navigation of Brazil, though out of Europe," [1] and consequently later to the commerce and navigation of Colombia and Buenos Ayres and the rest.

One of the new states which had arisen since the inception of this navigation policy was a much more dangerous naval competitor than any of the European states. Yet it was precisely to this power that the greatest concessions had been made in the way of departure from the strict principles of the Navigation

[1] Huskisson, Speeches, III, 27.

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Laws. It is true that the concessions were due to the exigencies of war, thus violating the rule which England herself had tried to enforce in the Seven Years' War. But when once the concessions had been made, colonial interests forbade their withdrawal; and a foreign nation was thus admitted to a share of England's colonial trade. The United States had applied to English trade the same policy which England had in 1785 applied to American shipping, by refusing to consider the British colonies as integral parts of the British Empire — a piece of insolence which could be paralleled only by England's insult in 1785.[1]

The aim of the Navigation Laws had been relative, not absolute, power. A nation endeavored to engross as much of the world's traffic as it could, and then sought to prevent any other single country from engrossing too great a share of what remained. From the nations of Europe England had no longer anything to fear; but, in defiance of the Navigation Laws, she was favoring above all other nations the United States, and thus allowing a large share of the trade she herself could not engross to be carried on by her most dangerous maritime rival. The remedy obviously could not be sought in a return to the older and unmodified policy. In particular, the interests of the West Indies forbade such a solution. British shipping simply could not supply the needs of the colonies; and the relaxation of the old system was essential to the prosperity and to the very existence of these colonies. The remedy therefore lay in admitting European nations to the English colonial trade, in order to prevent the United States from engrossing the West Indian trade. Thus the islands would be at once relieved from their dependence on one sole market, which had been twice closed to them by war and at least twice by political measures; and at the same time the supremacy of the United States in these waters would be qualified. This policy was in the true line of the Navigation Acts, preserving their spirit while modifying their letter to suit the altered circumstances of the case.

The conditions were altered, not merely because new nations

[1] Huskisson, Speeches, *passim*.

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had risen up beyond the Atlantic or because England, having practically no industrial rival, no longer attributed so much importance to the idea of relative power, but also because from one reason or another men could no longer naïvely assume that colonies existed to be exploited. The causes of the change in the English sentiment have been suggested; but the most important of them was the fact that the colonists were becoming strong enough to make their influence felt. The continental colonies had benefited greatly by all the incidents of the commercial policy of the war. They had a preference in the English market, because England had a quarrel with the Baltic powers; and the War of 1812 had for a time given them a monopoly of the Mediterranean market and had restored to them their monopoly of the West Indian market. The country was better settled, communications had been opened up and industry was developing. They naturally turned, therefore, to politics and to agitation against what they conceived to be grievances. The greater part of their energy was devoted to the struggle for responsible government, which turned mainly on the question of the control of the crown duties. These were nominally collected to regulate commerce, and against this purpose they had little to say; but the revenue could hardly be said to be within their control, for the amount derived from the duties imposed under the act of 1825 was £75,000 a year, and of this £68,000 was expended in paying crown officers appointed by the home government[1] to secure the regulation of colonial commerce. In the long run, the grant of responsible government was the ground of the colonial claim to complete control of their own tariffs; but in the early decades of the century the political restrictions naturally drew their attention from those which were more ostensibly commercial. They had some energy left, however, to protest against even the slight injustice which these limitations caused. In 1809 Sir Erasmus Gower, Governor of Newfoundland, reported to the home government that there were evidences of discontent with the colonial restrictions:

[1] McCulloch, Dictionary of Commerce, article "Colonies," p. 337.

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It is eighteen years since I was first on this station, and the great improvements and changes that have taken place in that time render it now absolutely necessary that the capital of this colony should no longer be cramped, cabined and confined by laws and restrictions, which at present are entirely unsuited to its conditions and progress.[1]

From 1810 onwards they protested against the restrictions to which they were subjected. It is true that their protests were incidental and were directed against grievances which were in the main sentimental;[2] but they served to show how the wind was blowing. The main protests continued to come from the West Indies, where the grievance was not merely sentimental and where the restrictive system, with all the relaxations granted, not only handicapped them in their competition with newer sugar islands, but also subjected them periodically to the dangers of dearth and famine.

These were the changes in circumstances which, according to Huskisson, demanded a modification of the Navigation Laws; and the changes were so generally recognized that he could treat a return to the old system as an impossible alternative. What remained to be done, in his view, was to throw open the colonial ports to the ships of all nations, reserving only the intercourse between the mother country and the colonies, which was to be treated as a coasting trade. The freedom of trade was, however, to be granted on reciprocal terms only; and the imports were still to be subject to the crown duties intended to give a preference to the productions of the mother country in the colonial market and to those of the respective colonies in the markets of each other. McCulloch claimed that the conditions and regulations introduced were, for the most part, in direct contradiction of the principles laid down by Huskisson himself.[3] But McCulloch was a polemical free trader,

[1] Prowse, History of Newfoundland, pp. 383, 384.

[2] In April, 1811, the Assembly of Nova Scotia protested against the practice of prosecuting breaches of the Imperial revenue laws in the court of the Vice-Admiralty at Halifax, and adopted a string of resolutions condemning the practice as a great grievance and as betraying a want of confidence in the people of the province. — Haliburton, Nova Scotia, I, 288.

[3] McCulloch, *op. et art. cit.*, p. 333.

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while Huskisson was a statesman making the first steps towards free trade; and the acts of 1825 and 1826 mark an enormous advance in both commercial and colonial policy. The concessions made to the colonists were that the casual relaxations of the system made in favor of trade with the United States were regularized and made permanent, and that these relaxations were granted to all other nations on the same terms as to the United States. Free ports were created in the various colonies and the privilege of warehousing was extended. The preferential duties in favor of the mother country were not abolished; but, in place of absolute prohibition of many articles, an *ad valorem* duty was established, and the act of 1826 (which simply consolidated two acts of 1825) significantly includes, not a list of enumerated articles which might be imported, but a brief table of restrictions.

"It is not to be dissembled that this is a great change in our colonial system," said Huskisson;[1] but he claimed that great benefits to both the mother country and the colonies would ensue from it. Since the consequences of the Treaty of Paris had borne out all that Adam Smith had said about the advantages of open trade and the disadvantages of monopoly, there had been other instances of prosperity resulting from the opening up of trade, to which he could appeal as precedents justifying the change he proposed. In 1813 the East Indian trade had been thrown open, with a result which proved, he said, "as the history of all modern commerce proves, that wherever you give a free scope to capital, to industry, to the stirring intelligence and active spirit of adventure . . . you are in fact opening new roads to enterprise."[2] He had another precedent in the restrictions on the Irish trade.

> An open trade, especially to a rich and thriving country [he concludes], is infinitely more valuable than any monopoly, however exclusive, which the public power of the state may be able either to enforce against its own colonial dominions or to establish in its intercourse with other parts of the world.[3]

[1] Huskisson, Speeches, II, 318.
[2] *Ibid.*, II, 320. [3] *Ibid.*, II, 321.

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In addition to these commercial advantages, which the release of the colonial trade would bring to the mother country, he believed that political advantages in her relations to the continental colonies would also accrue. They would connect their increased prosperity with the liberal treatment, and would "neither look with envy at the growth of other states on the same continent, nor wish for the dissolution of old and the formation of new political connexions." These were the advantages to the mother country which he foresaw, and he relied on this general argument to prove that the concessions should be extended to the West Indian islands. He considered a supposed objection, that the privileges need not have been extended to the West Indies, because "they cannot help themselves, however rigid the rules of monopoly or dependence" under which they may be placed;[1] and answered it by asserting that at no time since the independence of the United States had it been found possible to enforce the statutory restrictions, and that to attempt to do so would expose the islands to the greatest distress and would injure the shipping interests which opposed his reforms.

> From all the experience which we can collect from the conduct of this country in respect to Ireland and to its colonies — from all that we witness of what is passing in the colonies of other states, I come clearly to the conclusion that so far as the colonies themselves are concerned, their prosperity is cramped and impeded by the old system of exclusion and monopoly; and I feel myself equally warranted in my next inference, that whatever tends to increase the prosperity of the colonies cannot fail, in the long run, to advance in an equal degree the general interests of the parent state.[2]

This is his general argument; but in the case of the continental colonies he found other reasons, based upon the industrial conditions in the colonies. Without these concessions, he feared, they would not continue to be able to meet the competition of the United States. The war had brought great prosperity to the maritime colonies, because it had given them a practical monopoly of the great markets for fish; but after the

[1] Huskisson, Speeches, III, 110. [2] *Ibid.*, II, 313, 314.

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war there had been considerable distress, because, being handicapped by the Navigation Laws, which forbade them to take return cargoes, the Nova Scotia fishermen could not meet the competition of the United States in neutral markets.

These were the arguments which, in the teeth of the opposition of the shipping interests, carried through the first great modification of the colonial system. It was carried almost amid the indifference of the colonies. Canada was content with a colonial system which gave her the English market for timber, and she reserved her reforming zeal for constitutional questions. The colonists were gratified that the restrictions were removed, though they had not been seriously inconvenienced by them. Practically, all that any one had ever contended for was thus granted them, and with scarcely a pause they resumed their agitation for responsible government. Those only who were in opposition to the popular demand saw great significance in Huskisson's reforms. Haliburton wrote:

> Thus ended colonial monopoly, and with it, it is to be hoped, those ungenerous feelings which led many persons in Great Britain to suppose that although members of the same Empire their interests were distinct from ours; that any benefit derived to us from an intercolonial trade was an indirect disadvantage to them; and that the poverty of the colonies which that very monopoly created, while it rendered us sometimes burthensome and often importunate, was a reason for viewing us rather in the light of needy dependents than good customers.
>
> The benefit of this extension of trade, and the soundness of the principle on which it is founded, will soon appear in the increase of the national shipping — in the impulse given to colonial enterprise — in the growing demand for British manufactures and in more punctual remittances.[1]

Haliburton's amiable hope that this was the end of the "ungenerous feelings" was not to be realized; for this reform of Huskisson's, with the prosperity which came to the colonies in consequence, was only the starting point and the occasion for greater virulence on the part of those whom we now revile

[1] Haliburton, History of Nova Scotia, II, 388.

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as Little Englanders. The colonial monopoly had not come to an end, but only that part of it which could with any reason be said to benefit the mother country. The colonial preferences in the English market still remained; but it was argued that what was beneficial to the colonies would surely be beneficial to the mother country in the end. Whatever principles may have been involved, Huskisson's reform was justified by the result. Trade expanded and prosperity increased. There was at first some difficulty with the United States, with whose objections to reciprocity McCulloch expressed his sympathy; and the result was another suspension of intercourse. Reports were made to the Senate of the United States early in 1826, condemning Huskisson's acts as "giving too little and asking too much."

> . . . The committee are not aware that any great advantage is to be derived to the commerce of the United States in making British colonial ports places of entrepôt for the warehousing and transshipment of merchandize to be received from, or imported into, the United States, when it could probably be both brought and carried, without resort to them, directly to its ultimate destination with less cost and greater benefit; more especially when such ports are subject to occlusion without their previous knowledge or concurrence, as is recently demonstrated to be the case with regard to Halifax in Nova Scotia.[1]

This difficulty about the reservation of the intercolonial trade was not completely removed till the Navigation Laws were finally repealed; but a compromise was patched up, and trade was renewed on reciprocal terms in 1830, when England modified some of the colonial duties which were intended to promote intercolonial trade; and in that year the benefits of the acts of 1825 and 1826 were realized by the West Indies. But when this quarrel had been adjusted, the trade of the colonies grew.[2] They imported more than ever from the mother coun-

[1] Report to U. S. Senate, January 25, 1826, quoted in the New Brunswick *Royal Gazette*, March 21, 1826. Halifax, an open port, had been closed, "in midwinter and without notice, on an extremely hazardous and inclement coast."

[2] McCulloch, *op. et art. cit.*, p. 333.

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try, but their imports from foreign countries increased even faster. They exported to foreign countries that surplus which the United Kingdom could not take (and in this concession the West Indies found a certain means of tiding over the crisis caused by the emancipation of the slaves); and colonial ships traded to all parts of the world. So great was the development that a writer in the Quebec *Gazette*, apparently in 1837, tried to account for the slower progress of Canada, as compared with the United States, by referring to the old restrictive system.

> From 1784 to the present time, our neighbours have had the free range of the world, going and coming; while the colonies, unlil a comparatively recent period, were confined to the trade with the mother country and with the other colonies.[1]

Ten years later the governor of Nova Scotia wrote to Earl Grey, the colonial secretary; and his report is the final justification of Huskisson's reforms.

> Prior to 1824, the foreign trade of Nova Scotia was very limited, but the changes in the commercial policy of the empire, suggested and carried through by Mr. Huskisson, opened a wider field for colonial enterprise, of which the North Americans were not slow to avail themselves. With every relaxation yielded by the Imperial Parliament, the foreign commerce of the colonies has attained a further development, and Nova Scotia vessels, besides their traffic with the neighboring states, Canada and the West Indies, now trade to the Baltic, the Mediterranean, China, the [*sic*] Maritius, the East Indies, the Brazils and the [*sic*] Havanah; and our merchants and mariners are fast acquiring an accurate acquaintance with distant seas and with foreign markets in every part of the world.

With this report he sent a tabular statement (in part reproduced on p. 220, note), which showed, by a comparison of the trade of 1827 with that of 1847, the extent of this development.

With Huskisson's reforms the restrictions on the external trade of the colonies ended. There remained the preferential duties in their tariffs in favor of English manufactures; the important fact that the opening of trade depended on reciprocal

[1] Quoted in Martin's Colonies.

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concessions, the value of which was adjudged by the Imperial Parliament; and the classification of the trade between the colonies and the mother country as a coasting trade. The preferences in favor of the mother country imposed no great burden on the colonies. England exported no food stuffs, and could manufacture more cheaply than any other nation; and the colonies could have regarded the abolition of these preferences with profound indifference, had they not known that this act of apparent self-denial was but a prelude to the abolition of what they valued — the colonial preference in the English market. The complete repeal of the Navigation Laws — thus opening the colonial trade to all nations, irrespective of reciprocal concessions — was not regarded as a boon, but in fact nearly drove the North American colonies to the verge of revolt, if words meant anything. In 1841 the Imperial duties at colonial ports were reduced and the prohibitions entirely removed; and in 1846 the colonial legislatures were authorized to repeal all the differential duties which had been imposed in the colonies to favor British produce and to encourage British and colonial shipping. The speech from the throne at the opening of the Imperial Parliament in 1847 suggested that this freedom should be exercised for the benefit of the consumer.

The colonial legislatures took different courses of action in

NOTE (*cf.* p. 219). — *Imports into Nova Scotia* (including Cape Breton) *from*

	United Kingdom.	British Possessions.	U. S. and Foreign Ports.	Total.
1827	£307,907	£190,309	£312,603	£810,819
1847	330,915	220,550	480,489	1,031,955

Exports from Nova Scotia to

	United Kingdom.	British Possessions.	U. S. and Foreign Ports.	Total.
1827	£121,617	£107,738	£36,922	£267,277
1847	71,804	446,006	513,259	831,071

Shipping (*tons*) *cleared for*

	United Kingdom.	British Possessions.	U. S. and Foreign Ports.	Total.
1827	22,615	100,324	10,874	123,813
1847	67,049	149,524	199,880	416,463

See also Porter, Progress of the Nation, pp. 796 *et seq.*

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the matter of repeal. In Canada, in 1847, Mr. Cayley introduced a budget which did away with protection to British products, as compared with foreign, and in place of the old crown duties substituted duties for revenue, without any distinction as to the source of the goods. Nova Scotia followed the same course; but New Brunswick — pathetically loyal to the last — maintained in her tariff of 1848 a discrimination in favor of the mother country and the other colonies, amounting in some cases to three or four hundred per cent.[1]

The final repeal of the Navigation Laws, instead of being welcomed, was the occasion of great distress and serious discontent in the seaboard colonies of the North American continent. The act of 1849 repealed Huskisson's definition of the direct trade between the mother country and the colonies and of the intercolonial trade as a coasting trade, and threw open the whole carrying trade of the British Empire to the competition of the world. This destroyed the advantage which the North American colonies had enjoyed in the West Indian trade; and in 1851 a further blow seemed to be struck at colonial prosperity, when the colonial preference on timber, already greatly reduced, was cut in half. This double blow at their prosperity was the signal for a great outburst of disloyalty and discontent. In Montreal and St. John the excitement rose to the pitch of frenzy. The mother country had cast them over, and they saw nothing but ruin staring them in the face. The repeal was, however, probably what the colonies needed most. It threw them on their own resources and made them realize the duties as well as the privileges of responsible government. The ruin that was imminent did not come, because they set to work to avert it;

[1] Journal of New Brunswick House of Assembly, March 28, 1848. The following are some of the items:

	Eng. and Colonial.	Foreign.		Eng. and Colonial.	Foreign.
	£ s. d.	£ s. d.			
Butter, per cwt.,	4-6	9-0	Boots,	4%	30%
Cattle,	1-0-0	2-0-0	Carriages,	4%	30%
Clocks, each,	5-0	15-0			
Sugar, per cwt.,	5-0	10-0	N. E. S.	4%	15%

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and the threat of ruin was ultimately the industrial salvation of the colonies.

> The human mind [says Leroy Beaulieu] is so constituted that it will not have recourse to heroic measures until the situation is clear and definite. It will not depart from routine nor make full use of all its resources until it has seen all other hope of safety disappear.[1]

This truth was abundantly illustrated in the case of the colonies after their desertion by the mother country. There was a good deal of immediate distress and suffering; but it worked out right in the end. A contemporary New Brunswick observer, writing a quarter of a century later, said that the danger turned out to be more illusory than real;[2] but it was averted because the energy of the colonists was called out. When they found that their appeals and protests were disregarded and that the English market was no longer to be their preserve, they began to set their house in order and to accommodate their business methods to the new conditions. The possession of the preference had encouraged unbusinesslike ways and a spirit of dependence on governments. Henceforth they talked less politics and devoted themselves to trade; and even the lumber industry was probably not less profitable in the face of competition than it had been in the days of the preference, although undoubtedly it was no longer so easy.[3]

The immediate effect, however, was to daunt the bravest and the most loyal. It had been argued in England that the removal of the restrictions, by encouraging the enterprise and rousing the industry of the colonies, would increase their resources, and would thus enable them in a shorter time to throw off the yoke and effect their separation from the mother country. But it was the immediate distress, rather than the ultimate prosperity, which threatened to make for separa-

[1] De la Colonisation (2me édit.), p. 203.

[2] Fenety, Political Notes (First Series), p. 329.

[3] Owing to wasteful methods of securing the lumber, "it is doubtful whether the trade was more profitable than it is at present, notwithstanding the enormous productiveness of the forests and the advantage which New Brunswick and the other colonies then had in the markets of Great Britain." — James Hannay, Life of Sir L. Lilley, p. 40.

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tion. Public opinion, whether in the legislative assemblies, in public meetings or in the press, was disloyal. The expression of discontent was participated in by the staid, solid and sober members of the community, always famous for their conservatism and strong attachment to everything English.[1] An address in favor of annexation to the United States, prepared in Montreal and signed by 325 merchants of that city, rested its complaint on "the most disastrous effect" which the "reversal of the ancient policy of Great Britain" had upon Canada; and although outside of Montreal there was not much favor shown to the annexation idea, language equally strong was employed to denounce the selfish policy of the mother country. At a joint meeting of the British-American League and the Colonial Association of New Brunswick it was resolved:

> That the commercial evils now oppressing the British-American provinces are to be traced principally to the abandonment by Great Britain of her former colonial policy, thus depriving them of the preference previously enjoyed in the British market, without securing advantages in any other market.
>
> That these colonies cannot remain in their present position without the prospect of immediate ruin and that it is the duty of the Imperial Government either *first* to restore to the colonies a preference in the British markets over foreign goods, or *second* to have opened to them the markets of foreign countries, and more especially the United States upon terms of reciprocity.

The resolutions proposed by Mr. (now Senator) Wark, to which reference has already been made, deserve quotation, not simply because they express clearly the discontent in New Brunswick, which suffered especially from the changes, but because they indicate clearly the restrictions to which the colonies were still subject, and to the removal of which the energy of the colonists was directed, as soon as they had given up the vain hope that their protests might avail to change the English policy. The colonists had as yet, he claimed, neither the full power of regulating their tariff nor the right to enter into commercial treaties with foreign countries; and he demanded

[1] Fenety, *op. cit.*, p. 329.

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a further extension of the powers of the colonial legislature to accomplish these ends. His resolutions were not adopted; but those which were substituted for them recognized the necessity that new markets should be opened up, and formulated clearly the demand for a reciprocity treaty with the United States.

There can be no doubt that the changes effected in 1849 and 1851 did practically threaten the industries which had grown up in Canada during the first half of the century. The colonists claimed that the change was an outcome of the tendency to promote the manufacturing at the expense of the colonial interests of England; and the difficulty of effecting the reform, with the distress and discontent it caused, is but another instance of the political danger of creating "interests" by the manipulation of tariffs. The colonists had a strong case for consideration. They could have shown that the system of preferential duties had originated in the political and naval necessities of the mother country and that the benefit to the colonies was an afterthought, emphasized by those in authority to reconcile freemen to a system of political slavery which was a benefit to office-holders only. While admitting that it had given prosperity and industrial development to the colonies, they could have argued that it had tended to restrict their industrial development to one line and had hindered the natural diversification of industry. Adam Smith may have been right, when he said that bounties on colonial timber assisted in the clearing of the land; but a system of such excessive preferences as had been established had manifestly no such tendency, because lumbering remained so profitable that agricultural development was checked. The net results were: (1) the prosperity of the country was made to depend on one industry, which was naturally subject to fluctuations, according to the seasons, and did not therefore encourage a true industrial spirit; (2) the prosperity of this industry in Canada was subject to the caprices and interests of a legislative power over which the colonies could exercise no legislative control; (3) although the colonies had a preference in the English market, their lumber had, so long as that preference was substantial, been subject to heavy

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duties at home — with the result, according to the showing of English Parliamentary committees, that a fluctuation of price in the English market to the extent of five per cent meant a fluctuation of thirty per cent in the colonies; (4) although they had protested against these fluctuations, they were being ruined by the removal of so ambiguous a benefit, because that industry, the creation to a large extent of Parliamentary preference, was their sole support.

Most of these allegations could have been supported by reference to the Journals of the House of Commons. The benefit of the preferences was real enough, but at the same time an artificial direction and concentration was given to the industry of the country. Had the maintenance of the preferences been within their own control, this artificiality would have been a trivial matter in comparison with the real benefits of the preference; but it was dependent on the breath of English opinion, which had changed.

Still, a great deal of consideration was actually shown for colonial interests by English statesmen. The colonial preferences were the last portions of the old colonial system to be removed. Down to 1860 the colonies enjoyed a preference of 4*s.* a load on timber, which ought to have been sufficient to counterbalance the longer journey. The preferences were not all at once abolished, and the colonists had ample warning to set their house in order; so that, had it not been for the acquired Micawber instinct of waiting for the government to do something, they would not have been left in the lurch at the last.

The case of the West Indies was harder. They had suffered more from the other parts of the colonial system; and yet, even when the preference was highest, they had derived little real benefit from it. The monopoly granted to the West Indian planter, said Huskisson,[1] was of little or no advantage to him.

> By conquests made during the last war, by cessions obtained at the last peace, you have extended your sugar colonies in such a degree

[1] Huskisson, Speeches, III, 114. *Cf.* also III, 603: "Much as the West India planters have been, from time to time, promised, nothing has as yet been done for them."

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that the quantity they now send to this country exceeds by 60,000 hogsheads (about one-fifth of the whole supply) the consumption of this country. This excess must be sold in the general market of Europe. The price which it will command in that market, it is obvious, must be regulated by the rate at which other sugars of like quality (those of Cuba, Brazil and the East Indies) can be afforded in the same market. It is equally obvious that the price of this excess must determine the price of the other four-fifths consumed in the United Kingdom. The monopoly, therefore, affords little if any substantial advantage to those upon whom it is conferred. They must be able to produce sugar in competition with the foreign grower.

The abolition of the preference was, nevertheless, a hard blow to the West Indies. The preference had encouraged them to confine themselves to the cultivation of a single staple, for the production of which they were by no means so well suited as were the competitors they now had to meet. From this blow they never recovered, because they were not able, as were their fellow-sufferers in the continental colonies, to turn their energies to other fields; and at the present moment there is a strong demand — and little likelihood — that in some form or other the preference in the English market may be restored to them. The whole history of the preferential duties is one long warning against an attempt to give an artificial direction to industry.[1]

[1] The history of the preferential duties is represented in tabular form below. The timber and sugar duties are taken as typical; but these, though the most important, were not the only preferences enjoyed. In 1840, according to Porter's evidence before the famous Import Committee of that year, there were 82 differential duties in favor of colonial products; by 1853 all of these but the preferences on timber, food, wine and spirits had disappeared; and in 1860 the last, the timber duty, was abolished.

1798 Colonial timber was admitted free till 1798, when it was charged 3% *ad valorem;* but there was practically no importation till 1803, when the
1803 duty stood at 2*s.* a load. This duty was abolished in 1806. Owing to diffi-
1806 culties with the Baltic powers, a large addition was made to duties on Baltic
1809 } timber in 1809, and in the following year these duties were doubled. After
1810 } the failure of Napoleon's Russian campaign, when the Baltic ports were
1813 again opened, an addition of 25% was made, not from military necessity, but to favor the colonies; although the result was still further to decrease
1821 Baltic shipping. This continued to 1821, when a duty of 10*s.* a load was

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The act of 1846 has generally been regarded as the close of the period of commercial regulations; and doubtless it was, for practical purposes. But there still remained certain restrictions on the commercial freedom of the colonies. The removal of the restrictions was, as has been said, a triumph rather of free trade than of freedom. The English government did not propose to allow the colonies to mar the example which England was offering to the world, and accordingly it desired to keep the colonies in subjection to the ideas of the mother country.

The benefits [wrote Lord Grey in 1849 to Sir Edmund Head] which are expected to arise from this policy [that is, free trade] will be greatly increased through its general adoption by the principal nations of the world, which Her Majesty's government hope to see eventually brought about. But it would materially interfere with the attainment of this happy result if it should be observed by foreign countries that the former and narrow policy of endeavouring, by bounties or restrictions, to divert capital and industry to other than

imposed on colonial timber, and the duty on foreign reduced from 65*s.* to 55*s.* In 1831 an attempt was made still further to reduce the colonial preference, but ineffectually; and the Whig government in 1841 was equally
1842 unsuccessful. Peel successfully dealt with the subject in his first budget, and again in 1843; and in 1846 changes were proposed, to take effect in
1848 two stages, 1847 and 1848, at which date the preference had been reduced
1851 to 15*s.* on foreign and 1*s.* per load on colonial. The preference was in 1851
1860 again reduced by half, and finally in 1860 the duties were equalized at 1*s.* a load on foreign and colonial timber alike. — Down to 1841 the duty on foreign sugar was prohibitory and the imports practically nothing. In that year the Whig ministry proposed to reduce foreign sugar from 65*s.* per cwt. to 36*s.*, the duty on colonial remaining at 24*s.* per cwt.; but their proposal was rejected on the ground that it granted favors to slave products. Peel,
1844 in 1844, admitted foreign sugar, the product of free labor in China, Java and Manila, at an intermediate rate of 35*s.* 8*d.*, the duties on foreign slave-
1845 grown being 66*s.* 2*d.* In the next year the duties on all classes were reduced and stood at 63*s.*, 23*s.* 4*d.* and 14*s.*; and provision was made that by 1851 colonial sugar should be reduced to 10*s.*, and that in 1854 all
1846 rates were to be equalized. But in 1846 the Whig ministry abolished the distinction between slave-grown and free-grown, and reduced the duty on all foreign sugar to 21*s.* per quintal, which was gradually to be reduced to 14*s.* in 1851, when all preferences were to disappear. In 1848, however, in consequence of protest, the time of protection to colonial sugar was
1854 extended three years, to 1854, in which year all preferences disappeared, though the sugar duties continued till 1874.

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their natural channels, was again adopted with Her Majesty's assent in any part of Her Dominion.[1]

To many in the colonies it seemed, and perhaps still seems, that the mother country was pursuing her own interests at the expense of the colonies. Mr. Wark, in his resolutions, claimed that the manufacturing interests of the mother country were being advanced at the expense of the colonial interests; that England had no longer any need for restrictions to secure her own market, and was interested in having the world's markets thrown open to her; and that, for the sake of the example to foreign countries, she was still prepared to sacrifice the interests of the colonies, or what seemed to the colonists to be their interests. The colonies were not yet free, but were still mere conveniences to serve the ends of the mother country. England had abandoned specific restrictions, but she still maintained the restrictive system. If there were any in England who believed that, because specific restrictions might have weighed on the colonies, they would welcome the principles of free trade, they were speedily undeceived; for the colonists at once began to claim the right to manipulate their tariffs in ways quite contrary to the principles of free trade. This brought them into conflict with the home government, which still thought to regulate colonial ideas.

The restrictions on the freedom of the colonists, stated briefly, in the order in which they came up for discussion, were three: (1) They were denied the right to favor their own industries, by means of import duties or by bounties; (2) they were not free to enter into reciprocity treaties with other colonies or with foreign countries; and (3) they were bound by Imperial treaties, in the framing of which they were not consulted. These three restrictions have been removed: the first in 1859; the second in 1868 for Canada, in 1873 and 1895 for the Cape and the Australian colonies; the third, partially in 1881 and finally in 1897.

In 1842 the last tariff was framed for the colonies; and in the following year it was conceded by speakers in the English

[1] Despatch 170, December 4, 1849, Journals of New Brunswick House, 1850.

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House of Commons that Canada possessed the exclusive right to regulate her own tariff.[1] But when the colonies began to exercise this right according to their own ideas, the home government protested and instructed colonial governors not to give their assent to bills which were contrary to free-trade principles. The Assembly of New Brunswick sought to establish a bounty on hemp, and the colonial secretary rebuked the Assembly for their ignorance of economic principles as well as for their presumption. So well known were the sentiments of the home government, and so thoroughly was it recognized in the colonies that they were prepared to enforce these sentiments, that in 1849 Mr. Hincks, the inspector-general of Canada, in introducing a free-trade budget, declared that to establish a protective system in Canada would be tantamount to a declaration of independence. He referred to Lord Grey's dispatches; and he asked what inducement England would have in keeping up any connection with Canada, if the colony deprived her of the power of trading with them. In this Mr. Hincks showed that he understood the temper of the mother country, for nothing has retarded the growth of the Imperial Federation idea in England so much as the existence of protective tariffs in the colonies. But apparently neither Lord Grey nor Mr. Hincks was aware of the strength of the protectionist sentiment in the colonies, or of the logical importance of the grant of responsible government. The colonies simply ignored the protests of the home government; and against their invincible determination — or, as the free traders at home might have said, against their invincible ignorance — the home government could not prevail, except at the risk of disorganizing the colonies altogether. The grant of responsible government carried with it the control of fiscal affairs according to their own ideas; and in the end the power of logic prevailed. In 1856 the principle was distinctly enunciated, in the revised edition of the "Rules and Regulations for Her Majesty's Colonial Service," that

> the customs establishments in all the colonies are under the control and management of the several colonial governments, and the colonial

[1] Todd, Parliamentary Government in the British Colonies, p. 177.

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legislatures are empowered to establish their own customs regulations and rates of duty;[1]

and by an act of 1857 the powers of the self-governing colonies were further extended. The last episode in the struggle took place in 1859, when, on the motion of the manufacturers of Sheffield, the Duke of Newcastle protested against a new Canadian tariff. The rights of the colonies were finally vindicated by the memorandum of Sir Alexander (then Mr.) Galt, the Canadian minister of finance; and the broad principle he then enunciated has never since been questioned:

> Self-government would be utterly annihilated if the views of the Imperial Government were to be preferred to those of the people of Canada. It is, therefore, the duty of the present government [of Canada] distinctly to affirm the right of the Canadian legislature to adjust the taxation of the people in the way they deem best, even if it should unfortunately happen to meet the disapproval of the Imperial ministry. Her Majesty cannot be advised to disallow such acts, unless her advisers are prepared to assume the administration of the affairs of the colony, irrespective of the views of its inhabitants. The Imperial Government are not responsible for the debts and engagements of Canada, they do not maintain its judicial, educational or civil service, they contribute nothing to the internal government of the country, and the Provincial Legislature, acting through a ministry directly responsible to it, has to make provision for all these wants. They must necessarily claim and exercise the widest latitude as to the nature and extent of the burdens to be placed on the industry of the people.[2]

This principle was finally sanctioned by the Imperial Parliament, in the British North America Act, 1867, § 91, which recognizes the exclusive legislative authority of the Parliament of Canada over all matters relating to "the regulation of trade and commerce," "the raising of money by any mode or system of taxation," and "navigation and shipping." Accordingly, when, in 1879, on the adoption of a highly protectionist national policy, the secretary for the colonies was invited in the House of Commons[3] to disallow the act, he declined to interfere,

[1] Todd, *op. cit.*, p. 178. [2] Canada Sessional Papers, 1860, No. 38.
[3] March 20, 1879, Todd, *op. cit.*, p. 183.

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because the matter was entirely within the competence of the Dominion Parliament.

Down to the year of the appointment of the Marquis of Lorne (1878), instructions were issued to the successive governors-general to reserve for the consideration of the Imperial government any bills imposing differential duties; and the omission of the specific instruction in his case may be regarded as the close of this contention. One part of the contention had many years before been definitely settled in favor of the colonies — namely, the right to discriminate in favor of other colonies, subject always to the treaty obligations of the Imperial government; but the right, for which the colonies contended, to discriminate in favor of foreign nations has not yet been admitted — in form, at least. The contention arose from the position of distress in which the colonies found themselves, after the repeal of the colonial preferences in the English market. Lord Grey's dispatches (March 22 and November 8, 1848), instructing colonial governors, evidently have reference to differentials granted to the mother country and are inspired by all the fanaticism of absolute free-trade doctrine. The reply to the address which the Assembly of New Brunswick made to the Queen, on the subject of the repeal of the Navigation Laws, contains the suggestion that the North American colonies were at liberty to place intercolonial commerce on the footing of the coasting trade (to which foreigners were not admitted); and the Assembly responded by a request to be allowed to do so, preparatory to a demand on the United States for reciprocity. But, in spite of this admission of the principle and in spite of their own suggestion, the Imperial government continued to interpose objections and difficulties regarding intercolonial reciprocity. The objections were based on an incorrect reading of the terms of certain treaties; and the home government claimed that the mother country alone, of all the nations of the earth, would be excluded from the operation of the reciprocity treaties. Despite these objections, however, partial facilities were from time to time granted; and before the formation of the Confederation in 1867 the British

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North America colonies were more or less granting reciprocal concessions to each other. The question was settled, so far as Canada was concerned, when the American colonies entered the Confederation; but in 1868, before Prince Edward Island had entered the Dominion, the problem again came up for discussion. The newly formed Dominion admitted certain articles duty free from Prince Edward Island, and in return Canadian breadstuffs were admitted free into the island. The secretary for the colonies protested that this was contrary to the treaty obligations of the mother country; but Sir John Rose pointed to the precedent of an act of the old province of Canada, passed in 1850, permitting free entry of the products of other North American colonies — an act which was not disallowed. Again in 1860, as he reminded the colonial secretary, when it was proposed to extend existing arrangements so as to admit all articles of colonial growth and manufacture free of duty on reciprocal terms, although the Lords of the Committee of the Privy Council on Trade recommended that assent to this law be conditional on the granting of a like concession to all other countries, the Duke of Newcastle (February 5, 1861) was forced to admit that "they had no wish to offer any obstacle to any endeavours which might be made to bring about a free commercial intercourse between the North American colonies."

To the legislation of 1868, the Board of Trade (to which colonial commercial legislation is referred by the colonial secretary) objected that the differential duties must be extended to all countries having "a most favored nation clause" in a treaty which extended to British possessions as well as to the United Kingdom. The ultimate result, they said, might be

> that British produce, *i.e.*, the produce of the United Kingdom and of British possessions not situated in North America, will be the only produce which is shut out by differential duties from consumption in Canada.

The colonial secretary was, however, fain to content himself with the hope that,

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if ever the products referred to in the sixth section of this act are admitted free of duty from the United States, a similar immunity will be extended to the same products of the United Kingdom and of all foreign countries.[1]

Thus the Board of Trade was discomfited, and the question of intercolonial reciprocity was settled — at the time for Canada, but constructively for all self-governing colonies.

The other colonies were not long in claiming a similar privilege, though they have not yet agreed to act upon the permission which was a few years later (1873) granted to them. In 1870 the Intercolonial Free Trade Act passed by the legislature of Tasmania was disallowed;[1] and in the following year the Australasian colonies — New South Wales, Tasmania, South Australia, Victoria and New Zealand — made formal application to be allowed to establish a commercial union. They joined to this application a request that no treaty should be concluded by the Imperial government with any foreign power which should conflict with the exercise of intercolonial reciprocity, and that Imperial interference with intercolonial fiscal legislation should cease. The colonial secretary apparently dodged the main issue, and insisted that "the constitutional right of the Queen to conclude treaties binding all parts of the Empire cannot be questioned"; although he seemed to admit the power of the colonial parliaments to make the treaties a dead letter, so far as they were concerned, by refusing to pass the laws "which may be required to bring such treaties into operation." The Australasians were not satisfied with this answer; and a colonial conference, at which Queensland and Western Australia were also represented, was held at Sydney in February, 1873, to urge the necessity of the removal of all Imperial restrictions on intercolonial free trade. The colonies had their way, as the colonies generally have; and the Australian Colonies Duties Act[2] (1873) was passed, which granted

[1] Canada Sessional Papers, No. 47, 1869.

[2] Todd, *op. cit.*, p. 127. The Australian colonies were precluded, by the Constitution Acts granted to them, from entering into differential tariff agreements with each other or with any other country.

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full power to each of the colonies concerned to make laws, imposing or remitting duties whether differential or preferential or otherwise, for or against one another. It also extends the powers of the colonial legislatures in Australia to regulate the duties on the importation of articles not the growth, produce or manufacture of Australia or New Zealand. But it retains the prohibition against differential duties on goods imported into the colonies from foreign countries or from Great Britain.[1]

The latter prohibition, against discriminating in favor of the mother country, continued in force till the denunciation of the German and Belgian treaties in 1897.

The colonies are not yet free to impose differential duties so as to confer exceptional advantages upon foreign over British trade, and they may not use their liberty to the direct injury of British commerce. That much, at least, is involved in the idea of empire; and the mother country claims — and is likely to have her claim always allowed — to be entitled to the most favored nation clause. This right has never been seriously questioned, though in 1854 it was by mutual consent ignored. The repeal of the colonial preferences in the English market and of the Navigation Laws[2] had wrought so much distress in the colonies that it was imperative, to use the words of the address adopted by the New Brunswick Assembly in 1850, that they should "obtain the open ports and the unrestricted coasting trade of the American Union";[3] and accordingly in 1854 Elgin's Treaty was negotiated. The difficulty about discriminating against the mother country was not raised, partly owing

[1] Todd, *op. cit.*, pp. 195–197. Down to the year (1880) of the publication of this work, at least, the governors of the Cape of Good Hope and of South Australia were instructed to withhold assent from all bills imposing differential duties (other than as allowed by the Australian Colonies Duties Act of 1873); and in form, at least, they were unable to grant differentials to non-Australian colonies, till 1895 (58 Vict. c. 3), when the restriction was removed. — Todd, *op. cit.*, p. 132.

[2] The repeal of the Navigation Laws was a grievance in the seaboard colonies only. The old province of Canada gained little from the restriction and was debarred by it from taking advantage of her "opportunity for securing for her vast system of inland navigation the great and growing carrying trade of North-western America"; and in 1848 numerous petitions for the repeal of the Navigation Laws, so far as they applied to Canada, were sent to London. — Todd, *op. cit.*, p. 179.

[3] Journals of New Brunswick House of Assembly, April 25, 1850.

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to the necessities of the colonies and partly also to the fact that it was a discrimination in name only, for the reciprocity was confined to certain natural products which the mother country did not export.[1] This concession would have formed an admirable precedent for a more extended treaty, had such a precedent ever been sought; but Canadian *official* negotiations with Washington have always been based on the terms of the treaty of 1854 — reciprocity of natural products. When the Liberal party in Canada adopted the program of unrestricted reciprocity, there were not wanting those who denounced this last right of the mother country to rank as a most favored nation. That unrestricted reciprocity would practically, as well as nominally, have discriminated against the mother country, cannot well be denied; and those who advocated it had to fall back on the argument that it was a matter of indifference to England whether her goods were excluded by a tariff framed at Washington or at Ottawa, and that England would gain an increase of trade from the greater prosperity of the Dominion of Canada, resulting from reciprocal trade relations with the United States.[2] The movement for unrestricted reciprocity now has few adherents in Canada; and the right of the mother country to at least the treatment of the most favored nation is supported by the practically unanimous conviction of the Canadian people and, while the present Imperial temper lasts, is not likely to be called in question.

The several commercial concessions made to the colonies

[1] "In 1854 the treaty known as the Reciprocity Treaty was finally concluded, admitting certain natural products of each country free into the other, without any qualification as to the differential or discriminating character of its provisions." — Confidential report to Governor-General for transmission, made by Sir John Rose, September 3, 1868, Canada Sessional Papers, No. 47, 1869.

[2] See the speeches of Sir Richard Cartwright and others in Canadian Hansard, 1890, I, 144–646. Informal negotiations between Canada and the United States were broken off in 1892, because the Canadian delegates were not willing to discriminate against the mother country; and on the protest of Canada, when the Newfoundland government proposed to pass legislation to carry out the convention of 1890 with the United States, the colonial secretary (March 26, 1892) assured the Dominion government that legislation discriminating against Canada would be disallowed. — Lord Ripon's Dispatch to Governor-General of Canada, June 28, 1895; Canadian Statistical Year Book, 1894, p. 309.

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during the last half century were invariably qualified by a clause respecting the treaty obligations of the Empire. A colony, however free and independent, is bound by all Imperial treaties, unless specially exempt from their scope; and before the days of colonial freedom the Imperial Parliament had entered into treaties which bound the colonies not to discriminate in favor of the products of the mother country. The last phase of the colonial struggle for commercial freedom has been the effort to secure the following concessions: (1) That the colonies should not be included in commercial treaties without their own consent; (2) that in the framing of treaties directly affecting their interests they should be directly represented; and (3) that all past treaties which restricted the action of the colonies in working towards an Imperial customs union should be denounced.

The first two rights were readily yielded. They were so obviously the logical outcome of the control of their own fiscal affairs that they had but to be demanded to be conceded. When the Canadian government informed the colonial office that thereafter (March 26, 1881) it desired to be informed

> of the inception of any new treaty, and that in future no stipulation binding upon the commerce of Canada should be introduced into any treaty without reserving to the Canadian government the option of acceptance or refusal,[1]

it was perfectly natural that Lord Carnarvon should agree that a new clause should be inserted in all treaties thereafter concluded, to the effect that no colony was included except at its own option. As regards the second demand, while, of course, no colony could enter into direct negotiations with an outside power, the difficulty was got over by naming colonial statesmen as Imperial representatives for the negotiation of treaties peculiarly affecting colonial interests.

Thus far there was no difficulty; but when it came to the denunciation of treaties then in force, the interests of the mother country were directly involved. To denounce the treaties, it was feared, might derange English trade with important cus-

[1] Canadian Senate Hansard, 1891, pp. 613 *et seq.*

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tomers — and that without immediate prospect of any compensating advantage. The colonies did not show any great desire to favor English goods and had all, with one exception, discriminated against her manufacturers in favor of their own. Therefore, until a *quid pro quo* was offered in the shape of an actual discrimination in her favor, public sentiment in England did not call for the denunciation of the treaties. The colonists proceeded in the wrong way to achieve their end. An Imperial customs union meant for them a discrimination in the English market for colonial goods, for which they were willing to pay the price of granting English goods a differential. They protested against the treaties, because these stood in the way of their ultimately obtaining privileges for which they could concede none; and English sentiment naturally remained unaffected.

The treaties which stood in the way were the treaty with Belgium of 1862 and that with the German Zollverein of 1865. These stood upon a special footing.

The ordinary most favored nation clause in various treaties between Great Britain and foreign powers would not preclude the conclusion of special preferential arrangements between the colonies, or between a colony and Great Britain. As against foreign powers, in the absence of specific provision, the Empire is a whole or a unit, within which any fiscal arrangements may be made without infringing the concession involved in that clause.[1]

While these treaties did not prevent differential treatment by the United Kingdom in favor of the British colonies, or differential treatment by British colonies in favor of each other, they did prevent differential treatment by British colonies in favor of the United Kingdom, without extending the same concessions to foreign contracting powers. Thus, by the operation of the most favored nation clause in other treaties, they admitted all the nations with which the United Kingdom had commercial treaties. Their existence was, then, an obstacle to an Imperial customs

[1] Lord Jersey's Report to the Colonial Secretary on the Colonial Conference at Ottawa, 1894. This report and Lord Ripon's dispatches are printed in the Canadian Statistical Year Book, 1894, pp. 270–310.

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union. These treaties were passed during the period when colonial interests were being treated with unsalutary neglect;[1] and Lord Salisbury admitted some years ago that no reason had been given—or could be found—for the permission given to a foreign power to interfere in what should have been the purely private affairs of the empire. But, however the clauses had come to be inserted, there they were; and they effectually barred the way to preferential treatment of the mother country by the colonies. They not only did this, but they also compelled the colonies to modify their fiscal legislation.[2] But the denunciation could come from the Imperial government only; and, while the commerce of the United Kingdom with Belgium and Germany would be exposed to risks, and "would have to be carried on under fiscal conditions subject to constant changes and fluctuations, or, at all events, without that permanence and security which is of primary importance to successful and profitable interchange," on the other hand, no scheme had been proposed which foreshadowed "any precise advantages to be secured to the export trade . . . from the United Kingdom to the colonies in the event of the termination of these treaties."[3]

The Canadian preferential tariff of 1897 changed all the conditions. A "precise advantage" was offered, and the loyal sentiment of the year necessitated England's acceptance of the offer. Whether the Canadian government was correct in its contention that the concessions granted were not gratuitous but were a return for concessions already made by the mother country, and therefore did not come under the interpretation of the most favored nation clause, need not now be discussed. It is obvious, as Sir John Abbot foresaw in 1891, that such an inter-

[1] Burke claimed that the colonies had prospered because they had been treated with "salutary neglect."

[2] "We have already had to modify our legislation, in a way which we ourselves did not desire, in consequence of these treaties." (Sir John Abbot, in Canadian Senate, September 25, 1891. Senate Hansard, 1895, p. 613.) The German government had protested against the inclusion in the invoice price at Canadian ports of freight charges on German goods to the United Kingdom which were reëxported from England to Canada.

[3] Lord Ripon's Dispatch, June 28, 1895. — Canadian Statistical Year Book, 1894, p. 305.

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pretation would have led to litigation; and the British government wisely cut the knot by denouncing the treaties.

The last restriction on the colonies was thus removed. Their right to be considered in the making of treaties had already been granted. The right to say whether they would be bound by treaties contracted before they had obtained the former right, was conceded by the denunciation. Lord Jersey, in his report of the colonial conference, had suggested that an additional article should be included in all British commercial treaties, enabling "any colony to withdraw from the treaty at the date when it is terminable"; but the action of the Imperial government, by practically admitting the right of colonial initiative in Imperial affairs, had advanced matters further than Lord Jersey had ventured to suggest.

The restrictive commercial system has narrowed down to the following minor points: The mother country claims to be included as a most favored nation in all treaties contracted on behalf of the colonies; the colonies cannot disregard the Imperial obligations, by discriminating in favor of one nation and against another, when the mother country has with the excluded foreign state commercial treaties containing the most favored nation clause; no colony can endeavor, in direct or indirect negotiation, to obtain an advantage at the expense of any other part of the Empire; and finally, in

> the case of preference being sought by or offered to the colony in respect of any article in which it competed seriously with other colonies, or with the mother country, Her Majesty's Government would feel it to be their duty to use every effort to obtain the extension of the concession to the rest of the Empire." [1]

These seem to constitute the minimum of empire. They might be conceded, if demanded; but the concession would be equivalent to breaking up the Empire into a number of independent states — a result which none of the colonies in any measure desire.

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[1] Lord Ripon's Dispatch, Canadian Year Book, p. 310.

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BRITISH IMPERIALISM AND THE REFORM OF THE CIVIL SERVICE.

DISTINGUISHED teachers of political and social science are asserting that, besides the alleged economic and other advantages sure to come from the adoption of a colonial policy by the United States, there will follow a purification of our civil service — an elevation and regeneration of our entire national administrative system. For "responsibility," we are assured, "is a powerful moralizing influence." In proof of this doctrine the experience of Great Britain is appealed to. At first, it is conceded, there will undoubtedly be "corruption and scandals" in our colonial governments; but, continues Professor Giddings,

> so far from despairing of the republic, if we enter into more complicated and more delicate relations to world politics, we may rather anticipate that the change will prove to be precisely what was needed, and that our new responsibilities will operate more surely and more continuously than any other influences to improve the *morale* and the wisdom of American administration. In this belief we are supported by the experience of British colonial government. As every student of history knows, the age of Walpole was marked by corruption greater and apparently more irremediable than any which we have yet known in American political life. Who could have predicted that, after a century of continuous territorial expansion, with a correspondingly rapid multiplication of official positions, the administrative side of British gove nt, instead of becoming hopelessly incapable under the increasing strain, would have become the purest and most nearly perfect mechanism thus far known in political history? Have we, then, any right to despair of our own experiment, under a similar broadening of opportunities and responsibilities? If we have, our estimate of American character must be a sorry one.

Compared with the colonial empire of Great Britain, the terri-

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tory and the population which we may be called upon to administer are very small. Therefore,

> if the republican form of government is to be undermined and destroyed in a nation of 70,000,000 of the most resourceful, energetic and, all in all, conscientious human beings that have yet lived upon this planet, under the strain of devising and administering a workable territorial government for outlying island possessions of such modest dimensions as these, it would appear that our estimate of the excellence and stability of republican institutions must have been a grotesque exaggeration.[1]

Already the argument of Professor Giddings, that wider responsibility will prove a great moral stimulant in the regeneration of our domestic civil service, with appeal to the alleged example of Great Britain, has become a favorite one among American expansionists. Some of them go the length of declaring that imperialism has been almost the sole cause of the rise of the admirable civil system of Great Britain. Yet, with sincere respect for the candor and learning of the scholar who has set up this *theory*, — for *facts* have not been forthcoming, — it seems very clear that there has seldom been committed a more dangerous perversion of history. In the main, this argument is a striking illustration of the fallacy of *post hoc, ergo propter hoc;* though it would indeed be strange if three centuries of British imperialism, with its awful mistakes, its colossal crimes and its vast "successes," should not have afforded to society some useful lessons.

The fact is that the purification of the British administrative system has come as one of the results of moral and social evolution. Whatever, throughout the ages, has been the subtle and complex cause of the rise of a loftier standard of social righteousness among the children of men, has contributed to this result. In other words, the renovation of the British civil service has come mainly as the gift of triumphant democracy. In political history, the spirit of social righteousness and the democratic spirit are so closely related that it is not always

[1] Professor Giddings, "Imperialism," in POLITICAL SCIENCE QUARTERLY, XIII, 601–603.

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easy to say which has been the cause and which the effect. For the point under consideration, they are practically interchangeable terms.

It is quite impossible in a short paper even to touch upon the many details, crowding the pages of English social, economic and constitutional history, which establish beyond question the view here presented. Only the *trend* which a full inquiry would take can here be noted. At the outset, it may be stated as morally certain that the rise of the British Empire, beginning with the charter of the East India Company in 1600 and the settlement of the first permanent colony in America a few years later, greatly favored the perpetuity of the ancient spoils system, which had its source in the so-called "prerogative" of the king. That patronage in church and state should be determined by favoritism and not by merit, was a matter of course in the Middle Ages. This doctrine was lived up to by kings and prelates with brutal frankness. It was sanctioned by the social morality of the times. It was the morality of despotism, which, though disguised, survived in England for eight hundred years after the Conquest before it yielded to the influence of democracy.

> To say that a man is entitled to an office simply because he is a man of worth and capacity and not otherwise [declares Eaton], is in principle to say that he is entitled to become a knight, a baron, a duke, or a king for the same reason — obviously a principle as utterly repugnant to the theory of all arbitrary governments as it is essential to the prosperity of a republic. Therefore, the spoils system was the natural outgrowth of despotism and aristocracy. It is in its very nature a royal and aristocratic and not a republican agency of government.[1]

The mediæval theory of patronage was in full force at the beginning of the seventeenth century, when the foundations of the British Empire were laid and James Stuart, with his dogma of the "divine prerogative," ascended the English throne; for under the Tudors, instead of reform, there was a corruption of the public service, local and central, even deeper than had

[1] Eaton, Civil Service in Great Britain (New York, 1880), p. 40.

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existed since before the house of Lancaster came to power. The rise of the new empire increased the value of the royal prerogative, because it increased the royal patronage. This is a fact of primary significance in accounting for the astonishing tenacity of the spoils system. The new world was parcelled out through the royal charters, and it was ruled in part and in varying degrees by the king's favorites. By the side of the old hereditary privileged class arose a new privileged class, a *bourgeoisie* of mercantile plutocracy, fattening itself on the spoils of that colonial and imperial trade which was taking the place of the "monopolies" of the Elizabethan age. This new privileged order became the ally of the despotism which called it into being. It is true, in fact, that the planting of the American colonies under commercial charters by the three Stuarts gave a great *opportunity* to democracy — but *not in England.* If the spirit of democracy became fierce in America and the colonists enjoyed the practical benefits of self-government, these blessings were the results of their circumstances — of their isolation, not of the beneficent purposes of the king.

According to the colonial theory, adopted by the Crown and by Parliament, Englishmen who left the old home to conquer a new one, to face the dangers and hardships of the wilderness, became *ipso facto* an inferior class of British subjects. Instead of being generously treated, they were to be exploited for the benefit of those who stayed at home, partly on the alleged ground of exemption from Imperial burdens. If they flourished, it was because the king was too indifferent or too busy to enforce his theory. Perhaps for the moment there was in this course a positive advantage. The same bigoted and pedantic James who drove the Separatists to Holland was willing that they and the Puritans should go to America and practice their beliefs. It will scarcely be questioned that the withdrawal of so many thousand sturdy enemies of prerogative, in order to settle New England, was a real gain to absolutism and gave a longer lease of life to prerogative and the spoils system. What would have been the result, had there been no Empire and had the Puritan and the Pilgrim been compelled to cast in their lot

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with Cromwell? And a like question must be asked again and again during the next two centuries and a half, as the Empire expands and the most courageous and enlightened children of Britain go forth to seek their fortunes in every zone of the habitable globe. Whatever compensations they or the world may have gained by this process, it is certain that the social movement at home would have been different had they remained there. Is it not highly probable that the resistance of prerogative to the rising tide of democracy has been greatly protracted by this Imperial development?

It is coolly assumed, by the advocates of the theory under consideration, that the bracing and broadening effects of British expansion *soon* made themselves felt. We get the impression that the character of English domestic administration was affected by it in a reasonable time; as if the British experiment of empire were something which might well be imitated by us as a proper and rational means to an important end. Only "at first," we are led to believe, may we expect to find corruption in the management of our new empire; while at home, we infer, the evils of our present civil service will presently disappear. Therefore we are expected to marvel that, within a hundred years of Robert Walpole, British civil service rose from its lowest level of corruption and inefficiency to a point of excellence never anywhere attained in history before. But it is well to remember, in the first place, that when the rule of Walpole closed, England's colonial empire had already been in existence nearly a century and a half; and that, if government under Walpole had actually reached an abyss of cynical depravity lower even than that which disgraced the reign of the Stuarts, the fact, *prima facie*, may well lead the observer to a very different conclusion from that which the expansionists have drawn. One might be tempted offhand to infer that, under the stimulus of colonial empire, the royal prerogative had by the time of Walpole brought the British civil service to its nadir of abasement, from which, notwithstanding the growth of democracy and of general social culture, it has required more than another century to raise it. Indeed, there is abundant

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evidence of the kind already suggested to show that such an inference would not come far short of the truth.

It is very significant that a thorough reform in the British civil service, either in India or at home, was not effected until after the middle of the nineteenth century — two hundred and fifty years after the beginning of the Empire! Verily, the mills of the gods grind slowly! The lesson of moral discipline and responsibility was slow in learning. Only in 1853 was the system of open competitive examination of candidates for the India service resolved upon, although some years earlier a partial reform had taken place. In 1855 the new plan was put in force. But the change came too late to prevent the horrible Sepoy massacre of 1857 — the last scene in the tragic history of the India Company, whose charter was surrendered in the following year. It was in 1853, likewise, that the first step was taken towards an effective reform in the method of choosing members of the domestic civil service. A Parliamentary committee made an inquiry into the state of the existing service and recommended a system of open competitive examinations. No action was taken by Parliament; but in 1855, by an order in council, a civil service commission was appointed, under whose direction all candidates for junior positions in the departments were to be examined before they could receive a probationary appointment for six months. The order, however, did not provide for "open" competition, as recommended. Only a limited number of candidates — in practice, three or more — could compete for each place; and these were "nominated" by the heads of the different offices. Thus

> patronage was still permitted to have full sway in the nomination of the candidates. Appointments might still be made for political and personal reasons as freely as before. The only condition imposed was that the nominee should obtain a certificate of qualification from the civil service commission.[1]

Yet the experiment proved encouraging; and improvements were made from time to time. But it was not until 1870 that

[1] E. O. Graves, "How it was done in Great Britain," in *Scribner's Monthly*, XIV, 243.

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patronage received its deathblow, through the adoption of the system of open competition. From the fall of Lord North onward many reforms in matters of detail, both in the Imperial and in the domestic administration, had been made. Bribery, in particular, and various forms of pecuniary corruption had been severely checked. Still, in 1853, many years after numerous Parliamentary and municipal, as well as social and industrial, reforms had been accomplished, the evils of patronage were grave indeed. For the Indian service, the incompetent and the illiterate were still "nominated" to compete in the restricted examinations.

> In the years 1851 to 1854, both inclusive, 437 gentlemen were examined for direct commission in the Indian army; of this number 132 failed in English, and 234 in Arithmetic. The return requires no comment.[1]

There was, in short, declares Eaton, "a hotbed of abuses prolific of influences which caused the fearful outbreak of 1857."[2] Even more serious abuses existed in the domestic service.[3]

The reform of the British civil service, beginning in 1853, appears clearly from the discussions of the times to have been a democratic movement. It came as the gain of the plain man at the expense of privilege, although some members of the privileged classes were among its champions. It was distinctly regarded by its enemies as another onslaught on the royal prerogative. A noble privy councillor, after sneeringly declaring that "the world we live in is not . . . half moralized enough for the acceptance of a scheme of such stern morality as this," reveals his true sentiment by exclaiming, "Why add another to the many recent sacrifices of the royal prerogative!"[4] It was a victory for social righteousness, under guidance of the best thought and the most enlightened conscience of England. Among its prominent supporters were members of the universities, philosophers like John Stuart Mill, and humanitarian

[1] Civil Service Papers, pp. 21, 22. — Cited by Eaton, p. 178.
[2] Eaton, *op. cit.*, p. 178.
[3] Civil Service Papers, pp. 21, 22. — Cited by Eaton, p. 189.
[4] Eaton, *op. cit.*, pp. 196, 197.

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scientists like Mill's friend, the sanitary reformer, Edwin Chadwick, who had advocated the system of open competitive examinations as early as 1827.[1] It is instructive that the trial of this plan in the Indian service, fifteen years before it was possible to test it in the home administration, was largely due to the fact that prerogative had less at stake, while the Indian office was still nominally under the patronage of the directors of the East India Company.

> The government [says Molesworth], which would probably have strenuously resisted such an attempt to interfere with its patronage in England, consented, without much reluctance, to a trial of the experiment in India.[2]

In the days of the Missouri Compromise, well-meaning pro-slavery expansionists, while yielding to the clamor of the South for more territory, soothed their consciences with the deceitful dream that, were importations of foreign negroes cut off, the evils of American bondage would be lessened by spreading it over the new lands of the West. Even Clay and, in his old age, Jefferson were beguiled by an illusion which has long since passed into history as one of the most curious fallacies which political casuistry has ever conceived. Yet the belief that the evils of slavery could be mitigated by "dilution" bears a remarkable likeness to the theory of the modern expansionists. We cannot, however, get rid of the spoils system by "dilution," by throwing open to partisan greed rich and distant fields whose helpless inhabitants may not be even partially protected from exploitation by the possession of the ballot. Should we retain Porto Rico and the Philippines, it is no doubt true that American genius, energy and courage will in the end solve the problem of giving them fairly good government. Nor is it wise to assume that, even at the outset, American administration would be marked by the rapacity of a Clive or a Hastings. But, considering the present state of American political ethics, new and sinister glimpses of which have recently been revealed in the war investigation scandals, we

[1] Molesworth, History of England, III, 126, 127.
[2] *Ibid.*

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are forced to believe that frightful abuses would follow in the management of our "colonies," and that a new lease of life would be given to maladministration at home.

Moreover, if we are to read the lesson of British imperialism aright, it is needful to avoid another common and alluring fallacy. Doubtless all human experience is in some way profitable to the race. Social crime and social virtue may each in the end confer a social benefit. It by no means follows, however, that, for the sake of the lesson, crime and virtue alike are to be imitated. Doubtless, as Professor Giddings reminds us, all great national or social changes have come in obedience to historic forces and are as inevitable as a hurricane or the change of the seasons. Doubtless vast social movements, great national policies, the rise and fall of empires, regardless of the sufferings and the crimes which may attend them, are in harmony with the law of "social struggle," and their ultimate results are the "survival of the fittest." It does not follow, however, that "artificial selection" on the part of self-conscious society should imitate the methods of cosmic evolution. It may be that Attila or Jenghis Khan, with their Tartar hordes, taught the Aryan men of Christian Europe some lessons — especially that of unity — which they sorely needed to learn. Still, the modern moralist will scarcely prescribe the "Scourge of God" to cure similar ills in existing society. It may be also, as Bishop Stubbs suggests, that the Norman Duke "forced out" the latent energies of the English race, stimulated the sense of liberty and nationality, and by rough discipline whipped the native populations into shape to preserve and develop all that was good in English institutions; and it may be that Napoleon, that "Heaven-sent" lawgiver from Corsica, was just the cosmic force needed to free Europe from the bondage of feudal privilege and prerogative. Still, a democratic American will scarcely commend either William or Bonaparte as a social missionary. One may concede that a reactionary George III was needed to force the American colonists into united action, to mould the feeble spirit of resistance to administrative abuses into a national sentiment of independence, in order that the American republic might be

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born. Still, if here is a lesson for imitation, it is a lesson for the Filipinos and not for us. It may be that Canada, New Zealand and the other free, self-governing colonies dominated by men of English blood are the splendid product of the imperial expansion of England. But we must not forget that the existing liberal colonial policy of Great Britain came only after she had tasted the bitter fruit of the American Revolution.

It is indeed true, as John Fiske insists, that the battle of Yorktown was in the end a victory for democracy on both sides of the sea. The old mercantile or restrictive system was doomed, though it died very hard. Reforms were set on foot by Pitt and Burke, which might have anticipated the reform bill of 1832 by half a century, had not the panic caused by the French Revolution drawn away the energy of the nation into the struggle with Napoleon, thus fostering into renewed vigor the spirit of militarism and the thirst for conquest — the twin vices of imperialism — and gaining a respite for prerogative in its deadly struggle with democracy. Yet the effect of the successful revolt of the American colonies did not at once lead to the grant of political liberty, of responsible self-government, to those which remained loyal. On the contrary, a stricter paternalism was adopted as a policy. "Politically, the colonies were no longer to be treated 'with salutary neglect.' They were to be watched, that the first signs of discontent might be crushed and a repetition of the American disaster prevented."[1] Commercially, a system was set up which has been happily called a system of "reciprocity in disadvantage."[2] A differential tariff actually gave the Canadian and the other northern colonists an advantage at the expense of the London consumer; while, on the other hand, England retained a monopoly of the colonial trade, giving her a theoretical but not a real disadvantage, for it would naturally have come to her without governmental interference. Against both elements of this illogical system the English reformers arose and, after more than fifty years' strug-

[1] Davidson, "England and her Colonies, 1783–1897," in POLITICAL SCIENCE QUARTERLY, XIV, 42, 43.

[2] *Ibid.*, p. 51.

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gle, gained a complete victory. Now, it is a remarkable proof of the view here presented, as to the influence of the colonial empire on the domestic civil service, that these reformers resisted the new paternalism, because

> they found that the patronage which the home government controlled in the colonies was one of the principal causes of corruption in England. To abolish the colonial patronage was to weaken the government at home; and the struggle for colonial constitutional government was a part of the general struggle for political freedom. From the time of Fox onwards, there is a continuous protest against the tyranny of the political system in the colonies; and the protest was the more vigorous because the system seemed to exist solely for the benefit of the place-hunters.[1]

Let us beware how we misread the lesson of British imperialism, and especially that part of it afforded by the American Revolution; lest, to our shame in the eyes of nations, some dusky Patrick Henry of the tropics arise to teach us its true moral.

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[1] Davidson, *op. cit.*, p. 44.

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CONNECTICUT AS A CORPORATE COLONY.[1]

THE colony of Connecticut was formed by the union of the three river towns, Hartford, Windsor and Wethersfield, and of the plantations which they had established or annexed, with the jurisdiction of New Haven. It did not, then, develop from a single centre, as did New Plymouth; nor by the founding of a number of neighboring towns, all of which were from the outset coördinately related to a single colony government, as was the case in Massachusetts. Moreover, as these settlements, with the possible exception of Saybrook, were founded without the guaranty of charters of any sort, they had at first no express connection whatever with England.

They were not even under the nominal obligation imposed by the conditions of tenure within the manor of East Greenwich. In their case, during the early period of their existence, every vestige of such tenure, so far as it affected either external or internal relations, had vanished. These colonists left behind them in England no partners who could impose a system of common landholding or insist upon the maintenance of joint trading operations. It was not necessary for them to adjust any corporate business interests before leaving for the colonies which they intended to establish. The granting of shares of land to non-resident adventurers and the keeping of a colony magazine are not features in their early experience. In other words, these colonies did not develop from trading companies, and hence they do not exhibit any of the phenomena of transition which accompanied such a process.

Their settlers, as groups of emigrants animated by a more or less common purpose, came to Massachusetts, and thence —

[1] Articles by the writer of this paper, on "The Corporation as a Form of Colonial Government," appeared in this QUARTERLY in June, September and December, 1896.

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some after a longer and some after a shorter sojourn — sought a permanent home in the valley of the Connecticut. In both stages of their migration they acted without the sanction, and so far as possible without the knowledge, of the English government. Hence, when finally settled, they established a system in which political independence was even more prominent than was commercial and territorial isolation. Apart, then, from the theories which they held concerning forms of civil and ecclesiastical government, we must look for an explanation of the origin of their institutions to the example of Massachusetts. The river towns, in particular, were an offshoot from that colony; and the influence which it had over their development has not always been duly appreciated.

The families which settled Hartford, Windsor and Wethersfield had been inhabitants of Massachusetts, some of them since its foundation. They were, accordingly, familiar with the system of government which existed there. The motives which induced them to leave England were, in general, the same as those which animated the great body of Massachusetts colonists: they were Puritans to the core, and were thus in sympathy with the general purposes of the Massachusetts enterprise. But, after a residence there of a few years, they were induced by a combination of causes to desire a removal still further west. The majority of those who joined in requesting from the general court permission to remove were probably influenced chiefly by the reports concerning the richness and the accessibility of the bottom lands of the Connecticut. Two or three of the leaders in the enterprise may also have been moved by feelings of jealousy and personal rivalry toward Governor Winthrop and Mr. Cotton, though this assertion is based upon rumor rather than upon positive evidence.

The later policy of the river towns would lead to the inference that one motive which induced them to remove was their disapproval of the religious test, but no contemporary reference to this appears. That Watertown, which was one of the towns that contributed largely to the emigration, was opposed to the assumption by the magistrates of the power to legislate and to

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vote taxes, we are fully aware. Thomas Hooker[1] also, in a letter which in 1638 he wrote to Winthrop, objected to the almost unlimited discretion which it was then legally within the power of the magistrates in Massachusetts to exercise in matters of judicature and administration. Hooker insisted that the judge must have some rule to judge by, or government would degenerate into tyranny and confusion — a condition under which, said he, he would neither consent to live nor to leave his posterity. As this became a prominent political question in Massachusetts at the time when the Connecticut settlers removed, the lack of a proper definition of the power of the magistrates may have prejudiced the minds of some of their number against the Bay colony. Light will be thrown on the views of the Connecticut settlers concerning this question by an examination of what they did to prevent the evils of unlimited executive power from developing in their own colony. But, before this is undertaken, we must see by what steps government was established on the banks of the Connecticut.

No body of men in the history of the world ever mastered more thoroughly the art of forming and maintaining a compact political organization than did the magistrates and elders of Massachusetts. Working under the form of a corporation, they aimed to control, not only the admission of freemen, but that of inhabitants as well. Both the physical and the spiritual activity of those who became residents of the colony they sought so to regulate that the unity and harmony of the whole should in no way be imperilled. Moreover, all settlers in their midst whose views were in tolerable agreement with their own they sought to retain. The most notable exhibition of this policy was made when the emigration to the Connecticut was proposed. The question was under consideration for a year or more, and various efforts were made to divert the discontented from their purpose. When finally it became necessary for the magistrates to yield, they did so on the condition that the new settlements, though lying outside the bounds of Massachusetts, should continue under its government.

[1] Collections of Connecticut Historical Society, I, 11; Winthrop, Journal, II, 428.

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In May, 1635, the general court granted permission to the inhabitants of Watertown and Roxbury to remove, "provided they continue still under this government." A month later similar permission was given to Dorchester.[1] In September it was enacted that constables chosen by towns on the Connecticut should be sworn in by some magistrate of Massachusetts. In March, 1636, before the more important migration from Newtown and Dorchester occurred, the general court created a commission of eight members, and empowered it to administer justice and regulate affairs in the Connecticut settlements for a period of one year.[2] Its executive control was to extend over trade, granting of lots, planting, building, military discipline and defensive war. It was also empowered to summon the inhabitants as a court. Springfield lay within its jurisdiction, as well as the settlements further south. The members of this commission were men who had already gone to the Connecticut or were intending soon to go and therefore to become residents of the localities they were to govern. There is no evidence that after their appointment the parent colony sought to control their action by means of appeals or in any other way. Indeed, they could not legally do so, for there was no proof that any of the proposed settlements, except Springfield, would lie within the Massachusetts bounds. Furthermore, careful provision was made in the commission for guarding such interests as the Warwick patentees might have in that region;[3] and that surely could not have been done by annexing the river towns to Massachusetts. Winthrop[4] states that Massachusetts never intended to make Connecticut subordinate to itself; but in 1641, when replying to a petition from Springfield, the general court declared that there was in 1636 no intention of dismissing the Connecticut settlers from the jurisdiction of Massachusetts, but rather to reserve an interest on the river, and that so the Connecticut men understood it.[5]

[1] Massachusetts Colonial Records, I, 146, 148, 160. [2] *Ibid.*, p. 170.

[3] John Winthrop, Jr., who had been appointed governor by the Warwick patentees, was consulted in reference to the issue of this commission.

[4] Winthrop, Journal, I, 342. [5] Massachusetts Records, I, 321.

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Judging from the way in which Massachusetts dealt with the Narragansett settlements and with the settlements of Northeastern New England, one would infer that the chief reason why she did not attempt to absorb the river towns was the fact that she lacked a favorable opportunity. Had they not been peopled by orthodox Puritans and led by men of the resolution and ability of Hooker and Haynes, and had they not at once developed an independent life so vigorous as to enable them to make headway against the Dutch and the Indians, the possibilities of prolonged control implied in the resolutions passed by Massachusetts at the time of their removal might have been realized. As it was, however, the three river towns, lying outside Massachusetts bounds, never by word or act acknowledged dependence upon her, thus imitating in their relations with the parent colony the policy which that colony systematically pursued toward the home government.

Still, during the first year of their existence, the river towns were governed by commissioners who derived their authority, such as it was, from the general court of Massachusetts. Their authority was not assumed; neither did it proceed from election by the inhabitants of the towns themselves. What, now, did those commissioners accomplish during the year of their existence? They swore in constables for the towns, though those officers had very likely been elected by the localities they were to serve. They ordered trainings, the keeping of a watch and the enforcement of the assize of arms in each town. By their order names were given to the towns, and under the authority of the commissions town boundaries were fixed.[1] During that year, then, the towns were not independent of each other or of a power outside themselves.

On May 11, 1637, at the end of the official term of the commissioners, a general court met at Hartford. As they had power to call courts, it may be supposed that this one was summoned by them. It consisted of six magistrates and nine deputies elected by the towns,[2] those representing each town being called its "committee." Hooker states that the magis-

[1] Connecticut Colonial Records, I, 1–9. [2] *Ibid.*, pp. 9 *et seq.*

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trates were elected by the committees, and by these their oath of office was administered.[1] This assembly was apparently organized in the same way as was the Massachusetts general court at that time. Its meeting was occasioned by the necessity of not only forming an independent government, but raising men and supplies for the Pequot war. But the point with which we are immediately concerned is this: that the general court at once assumed a more complete control over the towns than the commissioners had exercised. During 1637 and 1638 it exercised over them the fullest degree of military control, culminating in the passage of a comprehensive militia act.[2] It also ordered a quota of men with supplies to be sent from the towns, to settle in the territory conquered from the Pequots and to hold it for the colony.[3] It levied taxes and chose a treasurer for the colony. It ordered the continuance of the judicial business which the commissioners had been transacting, by a resolve that a "perticular Courte" should be held at Hartford.[4] It regulated trade along the river and the relations between the Indians and the inhabitants of the towns. Therefore, substantially the same relations between the general court and the towns as those which existed in Massachusetts seem to have been continued in Connecticut. Connecticut was in no sense formed by a "consociation" of independent towns, for the simple reason that its towns were never independent. No imposing theory of federal union can be evolved from the early history of the river towns without drawing very heavily on the imagination.

When, in the years 1638 and 1639, the river towns undertook the task of organizing a government in a more formal and permanent fashion than before, they were negotiating with Massachusetts about an alliance or confederation.[5] The two colonies were jealous of one another. The river towns charged Massachusetts with trying to prejudice would-be settlers from joining them, by exaggerating their poverty and their sufferings;

[1] Connecticut Historical Collections, I, 13, 18.
[2] Records, I, 9–16. [3] *Ibid.*, pp. 12, 17, 20. [4] *Ibid.*, pp. 12, 16.
[5] Winthrop, Journal, I, 283, 342.

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Massachusetts complained because the Connecticut settlements claimed Springfield and would not in all respects be bound by its Indian policy. The Connecticut towns feared that Massachusetts might still absorb them. Hence, when in 1638 Massachusetts suggested a plan of union, wherein power should be given the commissioners of the respective colonies to settle finally all matters of difference between them, Connecticut objected. It would have had the commissioners meet, with the understanding that, if they could not agree, they should return to their several colonies for additional instructions and authority, and that they should continue that process until an agreement could be reached. Apparently it was fear of the superior influence of Massachusetts that led the weaker colony to dread any union with her, except under the loosest forms of confederation.

These differences and jealousies were canvassed at the time in a correspondence between the leaders of the two colonies, Hooker and Winthrop; and these spokesmen were naturally led to emphasize the divergence in their political views. Winthrop expostulated about the unwarrantableness and unsafeness of referring matter of counsel or judicature to the body of the people, *quia* the best part is always the least, and of that best part the wiser part is always the lesser.

In his *Journal*, also, he recorded the opinion that the failure of Connecticut to show the desired spirit of harmony was due to the fact that she chose to office so many men of no learning or judgment. This, he said, made it necessary that the burden of public business should be assumed by one or more of her ministers, who, though men of singular wisdom and godliness, showed the defects of those who were acting outside their true sphere. Hooker defended the course of Connecticut in reference to the proposed articles of confederation and all other matters as prudent and just, while he expressed, in the terms already stated,[1] his disbelief in unlimited magisterial discretion.

[1] Winthrop, Journal, I, 344; II, 428; Connecticut Historical Collections, I, 7 *et seq.*

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It seems that on the Connecticut the controverted points in the plan of union were referred to the general court, or possibly to a court of election; while at Boston the magistrates preferred to conduct the entire negotiation. But when later the plan approached completion, the Massachusetts general court repeatedly took action by adding a number of deputies to the body of negotiators, by instructing them as to one point and by approving the plan when perfected.[1] Thus, in the end, the procedure of Massachusetts was not so different from that of Connecticut as one would infer from the language of Winthrop and Hooker that it might have been. This fact would indicate that, from the fragments which remain of the correspondence between these two men, possibly exaggerated inferences have been drawn concerning the divergence between their opinions and the difference between the systems and policies of government which they contributed so much toward establishing.

Other evidence bearing on this point may, however, be derived from the utterances of Hooker in connection with the formal establishment of government in Connecticut. From the very fragmentary notes that have been preserved of the famous sermon which he preached before the general court on May 31, 1638, one would infer that the thoughts he chiefly sought to convey were these: that all public officials should be elected, that their powers should be defined and that both these things should be done by a body of freemen, as numerous and inclusive as would consist with their acting "according to the blessed will and law of God."[2] Here, again, Hooker must have expressed his distrust of the Massachusetts system so long as the powers of its magistrates were undefined, while he also renounced the religious test in the sharp and precise form which Massachusetts had given to it. But Hooker was essentially a Puritan of the Massachusetts type: he was not a believer in the separation of church from state or in manhood suffrage. In other words, he was not a democrat in the modern sense of the term, though much that has been written about him would lead

[1] Massachusetts Records, II, 31, 35, 36, 38.
[2] Connecticut Historical Collections, I, 20.

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us to infer that he was. Hooker's democracy was a compromise between the views of Winthrop and those of Roger Williams. His scheme contemplated the application of a moral test to those who desired to be admitted as freemen, and this test was to be applied either by those who were church members or by those who in their ethical views were in agreement with the church members. Not only does the later legislation of Connecticut show this to be true, but provision for it was made in Hooker's theory, by his insistence that political action should be guided by the will and law of God. The doctrine of the union of church and state is in the preamble of the Fundamental Orders, while the provision that the governor should be a member of some approved congregation shows the intention to maintain such union. Secularized democracy, an outgrowth of the dogma of equality and of voluntaryism in religion, would have been condemned by Hooker almost, if not quite, as vigorously as by Winthrop.

The Fundamental Orders, which were drawn up in 1638 and adopted early in 1639, embodied and set forth a scheme of government which was in harmony with Hooker's views and to the origin of which his influence in no small degree contributed. Connecticut historians and others have represented this as in form and contents radically new, and as suggestive of a theory and practice which was far in advance of anything previously attained. But if we compare the positive contents of the Fundamental Orders with the laws of Massachusetts and New Plymouth, so far as they had been developed at the time, we shall find no important differences. The provision for a general court which should meet in two annual sessions, one of which should be attended by all the freemen for the purpose of electing the magistrates, was not original. The general court, when organized for legislation, was to consist, as in Massachusetts, of the magistrates and of representatives of the towns assembled in one house under the presidency of the governor. As in Massachusetts, the governor was empowered to summon the court for both regular and special sessions; while in both colonies the court punished disorder and the non-attendance of

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its members. The power of the freemen to call the general court was not specified in Massachusetts law; but in November, 1639, it was enacted that the court of election should meet at the time mentioned in the charter without summons.[1] The ballot was used in the election of at least a part of the magistrates in Massachusetts in 1634, but the Fundamental Orders provided for its employment in the choice of both magistrates and deputies.[2] The provision for the nomination of magistrates was new, but it was introduced in Massachusetts in 1640.[3] The control of the general court over contested elections is brought out more distinctly than in any Massachusetts law then existing; but in 1635 an order had been passed by the general court at Newtown empowering what we should now call a caucus of the deputies, which met before the opening of the session, to settle such disputes.[4] The specification of the legislative powers of the general court is substantially the same as that contained in Massachusetts law.[5] The method of raising revenue by levies on the towns had been in vogue in Massachusetts from the first; and the quotas were fixed by the general court, though in its early legislation we have no record of its employing committees for the purpose.[6] The oath of fidelity was administered in all the colonies. The position and the power of the governor were exactly the same in Massachusetts as in Connecticut, though they are more precisely expressed in the Fundamental Orders than in the early acts of Massachusetts. In Massachusetts, as in Connecticut, the general court was the tribunal before which magistrates and other high offenders were brought to justice, though this principle was more specifically stated in the Fundamental Orders than in the laws of Massachusetts.[7] The provision that no one should be governor for two terms in succession[8] was, indeed,

[1] Massachusetts Records, I, 277.
[2] Winthrop, Journal, I, 157; Fundamental Orders, Arts. 2 and 7.
[3] Massachusetts Records, I, 293; Fundamental Orders, Art. 3.
[4] Massachusetts Records, I, 142.
[5] Massachusetts Records, I, 117; Fundamental Orders, Art. 10.
[6] Massachusetts Records, I, 77, *etc.*; Fundamental Orders, Art. 10.
[7] Massachusetts Records, II, 93; Fundamental Orders, Art. 10.
[8] Connecticut Records, I, 346, 347; Fundamental Orders, Art. 3.

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a new and significant departure from Massachusetts policy; but in 1660 it was repealed. Even in the omission of the religious test, the point in which the document shows the widest departure from Massachusetts principles, Connecticut did not stand alone; for New Plymouth expressly established no such qualification for citizenship. So it appears that, if we examine the Fundamental Orders in detail, we find in them no important departure from the system of government previously existing in the two parent colonies of New England.

From the contemporary utterances of Hooker, indeed, one would expect to find more specific limitations upon the discretion of the magistrates; but in fact the powers of governor and assistants were very loosely and imperfectly defined, while no special attempt was made by supplementary legislation to specify the penalties which might be inflicted for crime. We look in vain for the classification of the organs and the powers of government, and the clear distinctions between them, which appear in modern written constitutions. In fact, we find brought together in a single document what in Massachusetts and New Plymouth had been formulated in a succession of statutes, and we find nothing more. Moreover, though the Fundamental Orders were evidently adopted by a convention[1] of all the free planters held at Hartford, January 14, 1639, and hence must rank formally as a fundamental law or written constitution, it should be remembered that such a body would differ in no appreciable respect from a court of election and therefore would not bear the exceptional character which attaches to a modern American constituent convention. Also, as the document contained no provision for amendment, the general court assumed and exercised the right to change it, as it would any statute, in ordinary legislative session. As that right was unlimited and its exercise unopposed, the Fundamental Orders did not operate as a limitation on the powers of the general court. So far as any authority within the colony was concerned, the supremacy of the general court was as complete as that of the legislature of

[1] Trumbull, History of Connecticut, I, 110. See also Preamble of Fundamental Orders.

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Massachusetts; and hence, until the royal charter was granted, Connecticut lacked the steadying influence which Massachusetts occasionally derived from even the general and summary provisions of its patent.

If marked originality is to be found anywhere in the Fundamental Orders, it must appear in the preamble. This is, in fact, the part of the document which has chiefly attracted the attention and awakened the imagination of historians. The frank declaration of independence which is there made, and the announcement of the fact that in the opinion of the framers an original compact was being formed, has given to this document most of its interest. The preamble has been dwelt on at greater length and with much greater enthusiasm than have the provisions of the constitution concerning government. It has been made to signify much more than the Mayflower compact, and its adoption has been regarded as the initial act in the development of American democracy. But really there is nothing in the preamble, or in the body of the Fundamental Orders, to indicate that, if the settlers of Connecticut had possessed a royal charter, they would have proceeded in a manner essentially different from that of the colonists of Massachusetts.

For Massachusetts the outline of a system of government, such as it became after the removal of the corporation, was given in its charter. Magistrates and a general court were in existence when the colony was founded. All that was needed there was that, through these organs and under the initiation of the executive, the work of government should be begun. Specific forms and details of government were assumed, but the right to establish government had not to be assumed. The Connecticut colonists, however, in the absence of legal authority, after the close of the year during which the commissioners appointed by Massachusetts had administered their affairs, practically set up for themselves. The decisive step was taken at that time, although, owing probably to the pressure of the Pequot war, the formal declaration of the fact was postponed till the colony had justified its claim to separate

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existence by triumph in that conflict. Imitating the example of the churches, a plantation covenant was prefixed to the solemn announcement which they then made of the outline of their system of government. Wishing to recognize no outside authority, they declared that they associated themselves together as a commonwealth — that they entered into combination among themselves and with those who should later join them, and on behalf of their posterity, to maintain both civil and ecclesiastical government. But this was practically what had been done by the Pilgrims in the *Mayflower;* it was precisely what was being done in several of the Narragansett settlements; it was what New Haven did with almost painful elaboration about five months later. As the river towns had about two years before tacitly assumed the powers of government which they now declared that they were assuming, and as the Fundamental Orders probably did not essentially change the system of government that already existed on the Connecticut, one must infer that the course of history would not have been much different from what it has been, had the preamble of that document never been issued. Declarations and covenants could not change the fact of the case — that Connecticut, while assuming the right to exercise authority, derived her governmental system by imitation from Massachusetts and through that colony from the trading companies of England. The line of descent is clear and unmistakable, while the process of inheritance was free and natural.

From the adoption of the Fundamental Orders to the issue of the royal charter, the development of the colony of the river towns was steady and normal. According to the provision of the constitution (Art. 10), the general court alone admitted freemen. The qualifications required were admission as inhabitants by some town and the taking of the oath of fidelity. This oath, like that of Massachusetts, contained an acknowledgment of submission to the government of Connecticut, and a promise not to plot or share in any plot against it, but promptly to reveal such schemes, to maintain the honor of the jurisdiction and to vote conscientiously for its best

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interests.[1] In 1643 the general court reaffirmed the provision of the Fundamental Orders, that only those should be regarded as inhabitants of a town who had been admitted as such by a majority of its voters.[2] In 1646 it was enacted that none who had been fined or whipped for any scandalous offense should be admitted to vote in town or commonwealth, or to serve on a jury, till the general court should specially permit it.[3] The same court also enacted that the magistrates should administer the oath of fidelity to all males above sixteen years of age. When in 1656 Quakers began to appear, it was ordered that those who desired admission as freemen by the general court should bring certificates of peaceable and honest conversation, signed by all or a majority of the deputies from their respective towns.[4] In 1662 candidates were required to bring certificates to the above effect signed by a majority of the selectmen, instead of the deputies, of their town.[5] In 1659 a property qualification was introduced — the possession of a personal estate of £30.[6] Three years later the possession of real estate to the amount of £20 was required. When in 1665 the royal commissioners presented the requirement of the king, "that all men of competent estates and of civil conversation, though of different judgments, be admitted to be freemen," the general court replied that its "order for admission of freemen is consonant with that proposition."[7] Still, there was a stringent moral requirement, which, when taken in connection with the character of the selectmen and of the members of the general court who enforced it, and with the care which they exercised over both churches and individuals, appears to have been semi-religious in its nature.[8]

[1] Connecticut Records, I, 62.

[2] *Ibid.*, p. 96.

[3] *Ibid.*, pp. 138, 139. The magistrates were permitted temporarily to readmit those who had been punished as specified in this act to the privileges of freemen on their presenting a certificate of good behavior.

[4] *Ibid.*, p. 290.

[5] *Ibid.*, p. 389.

[6] *Ibid.*, pp. 331, 389; II, 253.

[7] *Ibid.*, p. 439.

[8] Trumbull, History of Connecticut, I, 287 *et seq.*; Connecticut Records, I, 520, 523, *etc.* True and suggestive statements on these and other related subjects will be found in a paper by Henry Bronson on the "Early Government of Connecticut," in Papers of New Haven Historical Society, III.

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The most perfect harmony [says Trumbull] subsisted between the legislature and the clergy. Like Moses and Aaron, they walked together in the most endearing friendship. The governors, magistrates and leading men were their spiritual children and esteemed and venerated them as their fathers in Christ. . . . Thus they grew in each other's esteem and brotherly affection, and mutually supported and increased each other's influence and usefulness.

The principles of the Cambridge Platform of Discipline were as fully accepted and enforced in Connecticut as they were in Massachusetts. The ecclesiastical history of Connecticut shows that the body of freemen, from which the general court proceeded, consisted of church members and of those who were in close sympathy with them. The regularity with which a comparatively small number of men were reëlected to office — making the tenure of the magistrates, though they held elective offices, very permanent — is an indication of the same thing. This is a phenomenon which appears in Massachusetts as well, and it reveals the fact that the political conditions in those colonies were much the same.

As we have seen, the development of the general court in Connecticut began at the point which it had reached in Massachusetts when the removal took place. For two years previous to that event deputies, or representatives of the towns, had sat in the general court of Massachusetts, and no legislature met on the banks of the Connecticut without their presence. But deputies and magistrates continued to meet in one house until 1698,[1] a period of more than forty years after Massachusetts had possessed a legislature of two houses. After the issue of the Fundamental Orders little legislation appears concerning the organization or powers of the general court, and there was slight need of it. Prior to 1662 only a few minute changes in detail were passed — such as the provision that a moderator should be chosen to preside in the absence of the governor and deputy governor,[2] and that, in the absence of the same officials, a majority of the magistrates might call a session of the court.[3]

[1] Records, IV, 267. [2] *Ibid.*, I, 256, 348, 365, *etc.* [3] *Ibid.*, p. 256.

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The business of the general court was very extensive. Besides its two regular sessions, many extra sessions were held. In 1645 it met seven times; in 1658 it met twice in March and once in May, in August and in October; in many other years it met as often as in these. As in the other corporate colonies, its work was legislative, administrative and judicial; while the character and volume of its product in each of these lines were not materially different from that which appears elsewhere in New England. Its most important legislation had reference to towns, military affairs, moral and ecclesiastical relations, the levy of rates, Indian relations, crimes and their penalties.[1] Not only did the general court legislate comprehensively, as in October, 1639, for the establishment and regulation of towns,[2] but by special orders it provided for the enforcement of this legislation and controlled the action of towns in many ways. Thus, and by means of land grants, a town system similar to that of Massachusetts and New Plymouth was developed; and by means of this system the territory of the colony was extended eastward to include the Pequot country, southward to the mouth of the river and westward till it was met by the counter claims of the Dutch. By legislation beginning in 1637 a militia system — with trainings and the assize of arms, foot soldiers and troopers — was created, while the lower officers who were elected by the towns were confirmed by the general court. In the domain of finance, the elective office of treasurer was strictly regulated; the accounts were yearly audited by a committee of the general court; lists of taxables and taxable property were annually returned to the general court by the towns; and these lists served as a statistical basis on which to levy the country rate. The regular judicial business of the colony was transacted in the particular court or court of magistrates. Occasionally an appeal from this tribunal was heard by the general court. The general court also granted divorces and sometimes probated wills. It held no state trials like those instituted by Massachusetts against the parties who attacked her ecclesiastical system.

[1] See Records and Code of 1650 in Records, I, 509. [2] Records, I, 36.

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Though in both these colonies the judicial functions of the general court were supplementary, the volume of business of that nature done by the court of Massachusetts seems to have been the greater.

The name "orders," which was often applied to the acts of the general court, describes the major part of them more accurately than the word "laws." They were administrative ordinances, occasioned by reports and petitions and adapted to individual cases and particular events, rather than laws intended to furnish permanent and general rules of action. The issue of such orders constituted a large part of the business of each session, and the orders issued dealt with a great variety of subjects. Not only, for example, did the general court legislate concerning the Indians, but it issued orders for the settlement of disputes among them, and between them and the English. It concluded treaties with the Indians, prosecuted and punished them for crime, corresponded with the neighboring colonies about them and executed the orders of the commissioners of the United Colonies in reference to them. The court acted in the same way in regard to the relations with the Dutch. By similar orders it provided for the enforcement of its legislation concerning the internal affairs of the colony and controlled the action of towns and officials who were intrusted with the execution of its laws. Through its power of choosing, commissioning, instructing, removing or otherwise disciplining officials, the general court exercised continuous administrative influence, not only over towns, but over all the business of the colony. The court also regularly appointed committees to execute its orders. These might consist exclusively, or only partially, of members of the court. In most, if not all, cases the governor and some of the assistants were placed upon such committees; and deputies or others who were associated with them were selected because they lived in the locality where the business must be done, or because of their special knowledge of the case. When correspondence or negotiations were to be carried on, the governor and the magistrates were almost necessarily employed.

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The employment of committees, not only for legislative but for distinctly executive purposes as well, is a very prominent feature in the early practice of the legislatures of both Massachusetts and Connecticut. The former, moreover, resorted to it quite as extensively as did the latter; and to some extent the practice was followed by New Plymouth and Rhode Island. So much more common was it in New England than in the provinces,[1] that it may fairly be called a distinctive feature of the legislatures of the corporate colonies. When compared with the contemporary practice of Parliament or of any other European legislature, it must appear as an important innovation. It may probably be explained as a continuation of the custom of the trading companies of England, which frequently made use of committees in the transaction of their business. The executive of the corporate colony, moreover, was elective in origin and multiple in form: it was an executive board — an annual committee, so to speak — of the freemen for certain important purposes of government; and the bodies which the general court created for more specific purposes were not dissimilar. So complete was the control of the general court over the business of the corporate colony, that it was easy for it not only to supplement but to assume the work of the executive — a thing which, as the legislature of the province, and of the kingdom in fact, was organized, its representative branch could not do without a struggle. In the corporate colony the executive was organically the agent of the general court and, when the two were harmonious, was actually used as such; while in the province the executive was the rival and the competitor of the lower house.

The colony of the river towns, having been founded without a royal charter, attained its ultimate limits by expansion and by the absorption of two smaller colonies, neither of which existed by virtue of rights superior to its own. The first colony to be absorbed was that founded at Saybrook. The right

[1] The council and assembly of New York frequently made use of committees in the eighteenth century. See the Journal of the Legislative Council and Journal of the General Assembly.

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of those who held the so-called Warwick patent[1] to establish a settlement west of Narragansett Bay can certainly not be affirmed. No grant to the Earl of Warwick appears among the extant records of the New England Council. To be sure, those records are not complete; but such a grant was not brought to light in the seventeenth century, though the Connecticut authorities were especially anxious to establish claims to the territory in question.[2] Moreover, in the extant patent of 1631 Warwick does not positively assert title to land west of Narragansett Bay, but simply conveys such claims as he has. If it be compared with the deeds of lease and release, by the grant of which the Duke of York made Berkeley and Carteret proprietors of New Jersey, the difference in the wording and implication will be clear. Still, the patentees acted under the grant as if it were genuine, and the conduct both of Massachusetts and of those who settled the river towns in 1636 implies the same belief. This document is one of the indications that we do not yet fully understand the relations which existed between the Earl of Warwick and the New England Council, on the one hand, and the Puritans who were interested in New England colonization, on the other.

Not until June, 1635, two months after the New England Council resigned its charter, did the Warwick patentees attempt to take possession of any part of the grant they claimed. Then John Winthrop, Jr., was appointed by them governor for one year "of the river Connecticut with the places adjoining thereunto," and was instructed to build a fort and begin a settlement near the mouth of the river.[3] These commands were executed by Winthrop, with the aid of Lyon Gardiner, and thus a small proprietary colony was established. In 1639 George Fenwick, one of the patentees, settled there with his family, and the place was named Saybrook. A church was built; and possession was taken of a tract of land lying on both sides of the

[1] Trumbull, History of Connecticut, I, 27, 435; Johnston, Connecticut, pp. 8 *et seq.*; Connecticut Records, I, 568.

[2] See the reply of Connecticut to New Haven's Case Stated, New Haven Colonial Records, II, 533.

[3] Trumbull, I, 497.

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river and extending back about eight miles from its mouth. The river towns soon drew Fenwick into the closest possible relations with themselves, by securing his appointment as one of the commissioners of the United Colonies and contributing toward the maintenance of the fort at Saybrook.[1] By this means they secured his aid in thwarting the plans of Massachusetts to obtain a part of the Pequot country, while they opened the way for the purchase of Fenwick's plantation. This they effected in December, 1644, Fenwick conveying the fort and the lands over which he had jurisdiction, and promising that, if the territory lying between the Connecticut and Narragansett Bay and mentioned in the Warwick patent came into his power, it should be transferred to Connecticut.[2] Fenwick was permitted to live at Saybrook for ten years and to make use of certain buildings and land there. It was finally agreed to pay him £180 annually during that period, the payment to be made in good wheat, pease, rye or barley at fixed rates. The duty on the beaver trade and the dues from Springfield, to which Fenwick was entitled, were also continued. Fenwick soon returned to England, where he died in 1659. As he left unfulfilled his promise to secure for Connecticut jurisdiction over the territory mentioned in the Warwick patent, the colony tried to recover from his agent and heirs a portion of the money which had been paid. In 1660 it accepted a repayment of £500 in lieu of all demands, and the dispute was closed.[3] Hence, prior to the grant of the royal charter, Connecticut had secured no valid title to the soil which she had occupied, but she was in possession of the mouth of the river and of a goodly stretch of shore along the Sound.

The jurisdiction of New Haven — the second colony to be absorbed by that of the river towns — was settled by Puritans of the strictest type, whose leaders, Eaton and Davenport, had been closely identified with the Massachusetts enterprise in the early stage of its development. Their motives and ideals were

[1] Connecticut Records, I, 113 *et seq.*, 170.

[2] *Ibid.*, I, 268, 271, 568.

[3] *Ibid.*, I, 575 and references.

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practically the same as those of Winthrop and Cotton. Their migration, nevertheless, had no official or corporate connection with that which resulted in the settlement of Massachusetts: it pursued an independent course from its origin in England to its successful accomplishment on the shores of Long Island Sound. The leaders of the enterprise, with a part of the settlers, landed at Boston, where they remained for a few months; but they never were or intended to be more than sojourners there, while they were looking for a permanent abiding place. Though there was a certain commercial element in the enterprise, no relations continued with partners left behind in England which to any extent modified the development of this colony. It was even freer from influences of that nature than Massachusetts had been. Not only was New Haven from the outset independent of other colonies, but it assumed and enjoyed to an equal degree independence as regarded the mother country.

The process by which the inhabitants of New Haven assumed governmental powers has been too often described to call for elaborate treatment here. The date and text of their first plantation covenant have, indeed, been lost; but this loss is more than made good by the details which have been preserved concerning the doings of the "general meetinge" that was held in Newman's barn, June 4, 1639. This meeting took the decisive steps which led to the establishment of government in the plantation. The outcome was not essentially different from that which had been reached at Hartford the previous January, and elsewhere on other dates, some earlier, some later. But Puritanism of the *doctrinaire* type found more complete expression here than at any other time or place. All inherited political connections were tacitly renounced; and by solemn and express agreement a new political body was formed, which was to consist only of the elect — of church members whose lives successfully bore the test of the most rigid scrutiny. After this condition of citizenship had been adopted as the corner-stone of the political edifice, the church was founded. The

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germ of this body was the famous "seven pillars,"[1] or seven leading men of the settlement, selected by coöptation from a larger body of twelve which had been chosen by the "general meetinge." The "seven pillars" presumably added to their own number those who were to be the original members of the church, and this body chose its pastor and other officials. The "seven," though not technically, were at the same time really the only magistrates in the little settlement, and continued to be such till October 25, 1639. A freeman's oath with the customary provisions was drawn, and more than one hundred freemen signed the "foundamentall agreement . . . thatt church members onely shall be free burgesses."[2] This was apparently done, at least in part, while the "seven" held sway both in church and commonwealth.

On October 25, in the first public court of which there is record, the "seven" resigned such power or trust as they had received, and all who had been received into the fellowship of the church were admitted as members of the court.[3] Six who were members of other approved churches were also admitted to citizenship. After the freeman's oath had been administered, at least to some, and Davenport had preached from Hooker's text combined with Exodus, xviii, 21, they chose a magistrate and four deputies or assistants, besides a secretary and a marshal or constable. It was also agreed that the term of office for all magistrates should be one year, and that the general court should meet in annual session the last week in October. Finally, with supreme self-confidence, they sought by a single resolution, not only to exclude English statute and common law from their settlement, but to forestall the necessity of important legislation on their own part. They resolved "thatt the worde of God shall be the onely rule to be attended unto in ordering the affayres of government in this plantation."

Like Plymouth, New Haven, as thus founded, was town and colony combined. In 1638 the land upon which the town was settled, together with a tract within which exist ten modern

[1] "Wisdom hath builded her house, she hath hewn out her seven pillars." — Proverbs, ix, 1. [2] Records, I, 17, 19. [3] *Ibid.*, pp. 20, 21.

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townships, was bought from the Indians. Outside this lay the territory upon which Guilford and Milford were founded. In 1640 land to the west of Fairfield was bought and the plantations of Stamford and Greenwich were settled, though the latter did not finally acknowledge itself a part of New Haven colony till 1656.[1] In 1640, also, the purchase which became Southold on Long Island was made. In 1642 constables were chosen at the New Haven court for Stamford and Southold.[2] Milford and Guilford were settled by families which, though they shared in the common migration, were never more than sojourners at New Haven. The settlements which they made were at the outset politically independent.[3] Stamford and Branford were also settled largely by seceders from the church and town of Wethersfield. Hence it appears that the degree of political and territorial unity which existed in New Plymouth did not obtain at the outset in the colony of New Haven. The plantations and towns in the latter colony were not in all cases founded by the parent settlement, and thus were not under its administrative control. If, then, from these plantations one colony was to emerge, and at the same time New Haven colony was to become distinct from New Haven town, the change could be effected only by a process of union or federation. This event occurred in 1643, and was brought about mainly by the formation of the New England Confederacy and the necessity arising therefrom that New Haven should appear in it as a unit comprising all the settlements which were closely related to it.[4]

On July 6, 1643, Eaton and Gregson, who as delegates of the town of New Haven and the plantations immediately dependent upon it—"the jurisdiction," as it was beginning to call itself—had met the commissioners from the other colonies, reported the articles which they had agreed upon as the constitution of the league. These were approved, July 6, by "a

[1] Atwater, History of New Haven Colony, p. 413.

[2] Records, I, 70, 78.

[3] Smith, History of Guilford; Lambert, History of New Haven Colony, pp. 85 *et seq.*; Atwater, pp. 155 *et seq.*

[4] Records, I, 96 *et seq.*

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general court held att New Haven for the plantations within this jurisdiction." It was ordered that all males in every plantation who were between the ages of sixteen and sixty should be numbered and armed, and that their arms and trained bands should be viewed. A tax was also imposed on the plantations to meet the expenses of "the combination," and it was ordered that the rules as to rating which had been in force at New Haven should be applied throughout the colony. It is important to note that at this court two members were admitted from Guilford. With their coöperation, then, these steps were taken preparatory to the organization of a colony government of the corporate type.

That organization was not completed till the following October. It was effected by transforming the outlying plantations of the jurisdiction, including Milford as well as Guilford, into towns with rights fully equal to the town of New Haven, it being expressly provided that New Haven should be the seat of government. A compromise was reached with Milford — which had admitted to the rights of freemen six inhabitants who were not church members — to the effect that no more such extensions of the franchise should be permitted and that the six should perform no functions outside of town affairs, except that of voting for deputies to the general court. Thus it was hoped that there would be no more violations of the "foundamentall order" concerning the suffrage. It was reaffirmed and placed at the head of the series of enactments, which were passed by the October court of 1643, providing for the establishment of the new colony government. By this the continued existence of the town courts, with their magistrates, was guaranteed. Provision was made for a "court of magistrates," to meet biennially at New Haven, with the powers of a tribunal of appeal and higher jurisdiction for the colony; and for a general court, consisting of the governor, deputy governor and all the magistrates of the colony, together with two deputies from each town, all sitting together as one house. Provision was also made for two annual sessions, one of which, in October, should be the court of election. Upon this body the

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usual legislative powers, the right to administer oaths and the functions of a highest court of appeal were bestowed.

If the document which contains these provisions be critically examined, and compared with the enactments which had preceded it in the other colonies, it will be found to come no nearer to the modern idea of a written constitution than do they. It was simply an important statute, passed by the general court and capable in all parts of amendment or repeal by the power which created it. The religious test, though regarded as fundamental, might have been modified or repealed by the same process of legislation as was used or recommended in Massachusetts. In the formation of New Haven colony, also, the federal element appears with greater prominence than in the case of Connecticut; but it was the result of a union of parts whose origin was similar, whose influence was very unequal and the period of whose separate existence had been very brief.

As a colony, New Haven enjoyed an uneventful existence for twenty years. About 1653, when the settlements along the Connecticut were alarmed by rumors of attack by the Dutch and Indians, and those which lay furthest west thought themselves in imminent peril, agitation against the religious test was raised in Stamford and Southold.[1] Complaints were also uttered that the colony did not adequately provide for the security of its outlying settlements, and some were bold enough to challenge the legality of the control which it exercised over them. But the movement never assumed serious proportions, and subsided with the disappearance of danger. Nothing else of political importance occurred to disturb the quiet of the colony. Its institutions underwent slight development, though even under its peaceful conditions it was at once found necessary to forsake the Bible as a law book and to legislate much as other colonists did. They even went so far as to bring their most important enactments together into a code, as did Massachusetts and Connecticut. Its provisions, like the orders of court, conform to the ordinary New England type.

The Restoration found New Haven independent; but it also

[1] Records, II, 48 *et seq.*

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found the colony of the river towns in possession of the settlements along the river and thence eastward to the Narragansett country, together with Fairfield. The latter plantation was so situated as to prevent the New Haven colony from attaining territorial unity. The Restoration also made the absence of legal guaranties of existence among the colonies of southern New England painfully apparent. Now that the king had returned, it behooved them all to look to their title deeds, for the inquiries which Charles I had been forced to abandon were likely to be resumed by his son. The controversy which Connecticut had with the Dutch over her western bounds, and that with Massachusetts and the Narragansett plantations over those on the east, early led her to take action toward procuring a royal charter. Though her address to the king was not prepared till the spring of 1661, a year before that the clause in the Fundamental Orders prohibiting the election of the same person as governor oftener than once in two years was repealed. This made it possible to reëlect John Winthrop for that year and a number of succeeding years. In 1661 he was also made agent to England, for the purpose of presenting the address and procuring a charter. To that effect he was instructed, and £500 were set aside for his use.[1] He was told to procure, if possible, a copy of the Warwick patent or, if that could not be done, to obtain a confirmation of it from the heirs of the patentees and to recover what had been paid to Fenwick for the "jurisdiction right." In case a royal charter should be granted, Winthrop was instructed to see that it conformed as nearly as possible to the Massachusetts patent. It was desired that the grant be made to several patentees with their associates, with such as might be joined with them, and their successors forever; and that the freemen, or associates, should have the exclusive right to choose officers for conducting the affairs of the colony. Eighteen were designated as the number who, it was desired, should be named in the patent.

Winthrop's success equalled, if it did not surpass, the most sanguine expectations. He procured a royal charter, dated

[1] Connecticut Records, I, 346, 347, 361, 368, 369, 579, 582.

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April 23, 1662, which was more favorable to the grantees than was the Massachusetts patent. It created the persons, whose names — with a few exceptions — were in Winthrop's petition, together with their associates, a corporation on the place, under the name of the Governor and Company of Connecticut in New England in America. The usual corporate powers were expressly bestowed. The government actually existing, with the institutions which had grown up in the colony during the past twenty years, was recognized and guaranteed. It was provided that there should be one governor, one deputy governor and twelve assistants, — naming for the first year the patentees as incumbents of these offices, — to hold for an annual term, the elections of successors to be held at the May court of election. Provision was made for two annual meetings of the general court, or court of the corporation, which should consist of the governor, deputy governor, at least six of the assistants and not exceeding two deputies from each town. The usual powers — those which it had been in the habit of exercising — were bestowed on the general court, and all that should be necessary to validate its acts was their issue under the seal of the colony. The king expressly reserved no control whatever over legislation or over the administration of justice within the colony.

The extreme liberality of these provisions shows that the charter which was granted must have been substantially the same as Winthrop's draft. As by it a corporation was created on the place, it was not necessary to refer in it to the administration of subordinate government in the colony. The provisions that were made for the government of the corporation itself were provisions also for the government of the colony, for the two were identical. This charter, then, was more perfectly adapted to the needs of Connecticut than was the charter of Massachusetts to the form and necessities of that colony. It was such a patent as the founders of Massachusetts would have welcomed, could they have frankly avowed their plans before they left England. The moderate religious policy of Connecticut, and the fact that no complaints against that colony were laid before the home government, now stood it in good stead.

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Massachusetts could scarcely have hoped to be able to exchange her charter for one like that of Connecticut.

The bounds of Connecticut were now unexpectedly extended through to the South Sea. New Haven was thus included within that colony — as she also would have been if the validity of the claims of Connecticut under the Warwick patent could have been established. This result was especially gratifying to the river towns, in the minds of whose inhabitants the desire for territorial expansion was then especially strong. Also, in the controversy which was then agitating the New England churches, Connecticut favored the so-called half-way covenant, while New Haven adhered to the rigid practice of the first generation of Puritans. The strict adherence of New Haven to the religious test and her extreme independence would have operated strongly against her, had she attempted to secure guaranties in England for continued existence. These causes contributed to increase the difficulties which attended the efforts made by New Haven to save herself from annexation.

Before Winthrop left for England, Davenport secured from him a statement that the magistrates of Connecticut had agreed not to coerce their sister colony into a union. Later, after the charter had been granted, he wrote from London that he had at the time assured the friends of New Haven that there was no intention of doing injury to her rights or interests, or of meddling with any town or plantation which was settled under her government; and, had any other intention been declared, it would have increased the difficulty of procuring the charter without inserting in it a proportional number of New Haven names. Her membership in the New England Confederacy also gave New Haven a status among her sister colonies, though not in England; and her absorption by Connecticut would remove much of the little vitality which remained in the union after the Restoration. When, therefore, in 1663, the delegates from New Haven appealed to the commissioners of the united Colonies, they declared that the jurisdiction of that colony could not be violently invaded without a breach of the articles; and that, if any power had been exercised there without the

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authority of the colony, it should be recalled until the conditions were favorable to an orderly settlement. But both the history of the Confederacy and its ultimate course in this case showed that, when the crisis should come, New Haven must be prepared to face her rival alone.

In this affair the general court and magistrates of Connecticut clearly exhibited the spirit of the bully — the same spirit which at the same time they and the other New-Englanders were showing toward their weaker neighbors, the Dutch. Of course their words and conduct were all in the interests of civilization, but they found expression in the imperative mood. Connecticut, prior to April, 1662, stood as naked and defenseless before the crown as did New Haven. Her charter she had secured without consulting the sister colony, whose political annihilation was involved in the issue of the document. As soon as the charter arrived at Hartford, still without consulting New Haven, she received the submission of the town of Southold and of the discontented faction in Stamford, Greenwich and Guilford. Constables were appointed to act for Connecticut in Stamford and Guilford. Then a committee was appointed to treat with New Haven. Connecticut, that is, first gave recognition and support to those in the colony of New Haven who, because of the religious test or for any other reason, were discontented and ready to coöperate in its overthrow. After that had been done, and a long step had thus been taken toward the desired issue, resort was had to negotiation. The result was that bitter feelings were aroused, a riot at Guilford was encouraged, and the negotiations were disturbed and hindered by recriminations. The mild and peaceful methods which Winthrop recommended from England, after the first step had been taken, could not be tried. In the defense of her conduct Connecticut relied chiefly on the mere fact that she possessed a charter; and, considering the source whence they came, she made some of the most remarkable admissions concerning kings and the extent of royal authority which ever proceeded from any colonial — to say nothing of any Puritan — source.

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How long the controversy might have continued no one can tell. But early in 1664 came the news of approaching events which suddenly brought it to a close. New Netherland, with the Connecticut River as its eastern boundary, was to be granted to the Duke of York and Dutch rule overthrown. At the same time a royal commission was about to visit New England for the purpose of settling disputes and taking steps which would lead to the proper recognition of royal supremacy. To New Haven absorption by Connecticut was vastly preferable to submission to the Duke of York, with his unlimited proprietary power and his province filled with an alien population — where, too, Anglicanism might be expected to prevail. The necessity, also, that the Puritan colonies of New England should bury their differences and present a united front before the royal commissioners was instantly recognized. These considerations overcame at New Haven the irritation which had been provoked by the arbitrary conduct of Connecticut, and the weaker colony bowed gracefully to the inevitable. By legal steps, which it is not necessary here to particularize, her inhabitants were admitted to a full share in the benefits of the new charter and of government under it; while the annexation of her territory rounded off the Connecticut colony on the southwest and completed the process of her expansion. The religious test in its original and precise form disappeared, and thus a serious occasion of controversy with England and a barrier to progress within Puritan society was removed. The enlarged Connecticut, with a charter and a government which were suited to the genius of her people, continued on her peaceful way; and, largely because of the close adaptation of government to society, earned for herself the name of the "land of steady habits." From the outset she had been a little more modern and progressive than Massachusetts and slightly more democratic; and these qualities she continued to display throughout the colonial period.

HERBERT L. OSGOOD.

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PRICES IN THE CONFEDERATE STATES, 1861–65.

IT is well known that the financial history of the Confederate States centres about the attempt to raise the enormous revenue necessary for the war by the wholesale issue of bonds and paper currency. Import and export duties netted the government but insignificant sums, and more available forms of taxation were not introduced until late in the war. Treasury notes were, however, issued very early, beginning with a paltry million of dollars authorized on March 9, twenty millions on May 20 and one hundred millions on August 19, 1861, and progressing to still larger amounts as the months went by. The amounts of these notes, which for the most part bore no interest and were payable six months or two years after the ratification of peace with the United States, outstanding at various intervals were approximately as follows:

	1861.		*1862.*
June	$ 1,100,000	Nov. 13	$363,000,000
July 19	1,100,000	Dec. 31	467,100,000
Nov. 16	31,100,000		*1863.*
	1862.	April 11	$409,000,000
March 14	$108,000,000	Aug. 8	497,000,000
May 5	166,100,000	Sept. 30	636,000,000
Aug. 1	206,000,000		*1864.*
Aug. 18	248,200,000	Jan. 1	$843,000,000
Aug. 30	283,000,000	April 1	718,000,000
Oct. 1	287,000,000	April 30	851,600,000
Oct. 31	317,000,000	Oct. 1	992,000,000

The figures after October, 1864, are wanting. But enough are available to show that the issue of treasury notes increased most rapidly during the months immediately after August, 1862, during the last months of 1863 and, by inference, during the last months of the war. During the first months of 1863, and again during the first months of 1864, there was

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a falling off in the amount of treasury notes outstanding, due to the two so-called "funding acts," passed on March 23, 1863, and on February 17, 1864, which reduced the amount by compelling note-holders to fund their notes in government bonds before certain dates, under penalty of a heavy tax on notes not so funded.

These successive issues of treasury notes went hand in hand with an enormous expansion of banknote currency and with the issue of every kind of promissory note by individuals, corporations, and state and local governments. The growing inflation of the currency was reflected in the premium on gold, which appeared in April, 1861, rose gradually till in March, 1862, it was 30 per cent, and then progressed by successive leaps in April, September and November, 1862. Thereafter it rose more and more rapidly till August, 1863. During the following months the rate of acceleration was less. After reaching a maximum in February, 1864, — a gold dollar being then quoted in currency as 1 to 23, — there was a decided falling off in the gold premium till the middle of 1864, when the last upward start was made, reaching the ratios of 1 to 61 in March, 1865, and 1 to 1000 at the end of the following month.

The average gold premium in the Confederate States during each month of the Civil War is shown in the table facing this page; or rather, to be exact, the index number of the monthly price of gold in currency is given, the base number being 1.00 in 1860. These figures fluctuated considerably within each month, and varied somewhat as between different points in the South at the same time. The figures given in the table are derived from a large number of quotations taken from the active money markets at New Orleans (till its fall), Charleston, Richmond and similar centres, and differ somewhat from the similar series of figures collated in Appleton's *Annual Cyclopedia*[1] or those arranged by the state legislatures or the courts after the Civil War.[2]

[1] Appleton's Annual Cyclopedia, 1865, p. 188.

[2] North Carolina Acts, 1866, chap. 39; McLaughlin & Co. *vs.* O'Dowd, 34 Ga. 487 (1866).

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S, 1860 = 1.00.

1864												1865			
Jan.	Feb.	Mch.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mch.	
70	107	142	142	142	130	118	125	111	118	118	118	196	196	—	Coffee.
55	56	77	91	90	90	90	106	120	126	120	129	114	172	—	Salt.
50	63	75	75	75	75	75	75	75	75	71	75	91	91	—	Nails.
24	24	36	32	32	32	32	32	32	32	32	35	41	80	—	Candles, Adamantine.
27	32	39	40	40	40	40	40	40	40	53	53	67	67	—	Candles, Tallow.
59	14	12	13	13	11	13	13	13	14	14	14	16	17	—	Sugar.
36	59	67	98	87	99	99	52	50	100	100	—	—	88	—	Molasses.
28	42	59	48	35	34	44	50	54	72	52	50	67	67	13	Bacon.
28	38	59	65	55	45	55	50	57	55	63	73	73	84	—	Lard.
21	31	33	43	46	31	29	29	29	29	40	38	50	64	71	Butter.
	11	11	11	11	12	17	23	23	23	23	23	30	45	—	Wheat.
	24	20	35	34	38	38	23	28	64	64	—	83	83	128	Flour.
	30	37	—	—	38	42	—	73	40	40	—	43	36	—	Corn.
	27	44	53	81	50	—	—	47	58	58	60	63	65	—	Meal.
	16	20	22	20	21	28	28	28	21	21	20	24	24	—	Oats.
	10	25	44	38	50	37	42	38	38	25	25	39	50	106	Rice.
	10	16	18	20	15	15	13	28	—	16	—	23	40	25	Potatoes, Irish.
	10	13	19	—	25	25	—	27	—	18	—	16	25	—	Potatoes, Sweet.
	9	4.7	—	—	—	11	—	—	—	—	—	—	20	—	Tobacco.
	50	50	50	50	32	50	50	50	50	50	50	50	50	—	Hides.
	15	—	22	—	24	30	30	—	25	—	100	—	—	—	Tea.
	—	16	17	17	—	—	15	12	—	14	17	21	40	—	Cotton.
	23	22	21	19	17	20	22	23	26	30	38	53	58	61	$1. Gold.

107	142	142	142	130	118	125	111	118	118	118	196	196	—	Coffee.
56	77	91	90	90	90	106	120	126	120	129	114	—	—	Salt.
63	75	75	75	75	75	75	75	75	71	75	91	—	—	Nails.
28	38	36	36	36	36	36	36	36	43	44	54	126	—	Candles.
99	95	113	108	100	114	114	92	96	120	121	157	130	—	Sugar and Molasses.
37	50	52	45	36	42	43	47	52	52	54	63	72	68	Meat Products.
16	23	29	34	31	29	26	36	40	33	23	40	46	86	Cereals, etc.
9	4.7	—	—	—	10	—	—	—	—	—	—	20	—	Tobacco.
—	16	17	17	—	—	15	12	—	14	17	21	40	—	Cotton.

s (simple average).

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	1861														
	Feb.	Mch.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mch.	April
Coffee	—	1.2	1.3	1.3	1.6	1.9	2.3	2.8	4.	3.5	—	4.9	4.3	4.5	4.5
Salt	—	—	—	—	—	—	—	—	—	—	—	—	—	9.2	11
Nails	—	1.4	1.3	1.3	1.3	1.1	1.1	1.	1.4	1.9	1.9	1.9	—	3.8	3.8
Candles, Adamantine	—	.9	.9	.9	.9	—	.9	—	.9	—	.9	2.2	—	2.1	3.1
Candles, Tallow	—	1.1	1.1	1.1	1.1	—	—	—	—	—	—	2.	—	1.9	1.6
Sugar	—	1.6	1.5	1.5	1.5	1.2	—	1.	1.	1.	—	1.8	—	2.3	—
Molasses	—	1.	1.	1.	1.	1.	.9	.7	.9	1.2	—	1.3	—	2.5	2.2
Bacon	1.1	1.1	1.1	1.2	1.3	1.3	1.4	1.9	2.	2.1	—	2.2	—	2.3	2.5
Lard	—	1.	.9	1.1	1.3	1.4	1.4	1.8	2.4	1.5	2.2	1.9	—	2.5	2.8
Butter	—	1.1	1.1	1.4	1.4	1.6	2.	1.8	1.8	1.8	1.9	2.1	—	2.3	2.7
Wheat	—	.9	.9	.9	.9	—	.9	—	1.	—	.9	9.	—	—	2.3
Flour	1.	1.	.9	1.2	1.	1.	.9	.8	.8	1.2	—	1.2	1.7	1.5	1.6
Corn	1.1	1.	1.	.8	.8	1.1	1.	1.2	1.2	1.7	—	—	—	1.8	2.1
Meal	—	1.	1.	1.	1.	1.1	1.1	—	1.	—	1.	—	—	1.5	1.1
Oats	1.1	1.2	1.2	1.4	1.5	—	1.5	1.6	1.6	2.3	2.	1.6	—	2.4	2.4
Rice	.8	.8	1.1	1.1	1.4	.5	.6	.6	.8	.8	1.2	1.4	1.5	1.5	1.4
Potatoes, Irish	—	1.	1.	1.2	1.2	—	—	—	—	—	1.7	—	—	—	—
Potatoes, Sweet	—	.6	.6	.8	.8	—	—	—	—	—	—	—	—	—	—
Tobacco	—	1.4	1.4	1.3	1.3	—	—	—	—	—	—	—	—	1.6	—
Hides	—	1.	1.	1.	1.	—	—	—	—	—	—	—	—	—	—
Tea	—	—	—	—	—	—	1.3	—	—	—	—	—	—	4.5	3.8
Cotton	1.	1.	1.2	1.	.9	1.	.6	.9	.8	.7	1.	1.1	.9	.9	.8
$1. Gold	1.	1.	1.	1.	1.	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.3	1.5

Coffee	—	1.2	1.3	1.3	1.6	1.9	2.3	2.8	4.	3.5	—	4.9	4.3	4.5	4.5
Salt	—	—	—	—	—	—	—	—	—	—	—	—	—	9.2	11
Nails	—	1.4	1.3	1.3	1.3	1.1	1.1	1.	1.4	1.9	1.9	1.9	—	3.8	3.8
Candles	—	1.	1.	1.	1.	—	.9	—	.9	—	.9	2.1	—	2.	2.4
Sugar and Molasses	—	1.3	1.2	1.2	1.2	1.1	.9	.9	.9	1.2	—	1.6	—	2.4	2.2
Meat Products	1.1	1.1	1.1	1.2	1.7	1.6	1.4	1.6	1.8	1.6	2.2	2.1	—	2.3	2.7
Cereals, etc.	1.	1.	1.	1.	1.1	.9	1.	1.	1.	1.5	1.5	1.3	1.6	1.7	1.9
Tobacco	—	1.4	1.4	1.3	1.3	—	—	—	—	—	—	—	—	1.6	—
Cotton	1.	1.	1.2	1.	.9	1.	.6	.9	.8	.7	1.	1.	.9	.8	.8

Meat Products: Bacon, lard

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ES IN THE CONFEDERATE STATES, 1861–65. MONTHLY AVERA

	1862							1863											
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mch.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
5	—	—	—	15	—	25	23	28	23	—	27	25	—	—	29	41	63	78	79
5	17	26	20	—	—	42	—	31	43	27	31	40	38	47	42	54	63	53	55
3	—	3.4	—	—	—	12	13	15	15	25	27	31	31	31	31	38	38	38	44
1	—	6.9	12	9.2	—	10	11	12	12	12	16	11	17	19	20	20	20	18	24
7	—	—	—	—	7.5	—	7.3	8.2	8	13	19	18	15	18	20	20	20	25	28
4	10	—	—	—	—	10	—	14	14	14	17	20	20	28	24	32	36	43	48
-	—	—	4.1	—	—	7.1	8.5	8.8	8.8	21	21	22	20	25	28	30	30	34	35
2	3.3	—	3.	—	—	4.8	4.6	4.9	8.3	11	12	12	12	12	14	16	19	25	26
9	—	—	2.9	—	—	4.	3.5	3.6	6.7	7.3	12	9.1	11	10	13	15	17	21	24
5	3.7	4.5	3.9	—	6.	7.3	6.1	7.8	8.9	14	13	12	9.3	7.4	9.5	12	13	19	17
-	—	—	—	1.9	3.4	3.5	3.5	3.4	3.8	3.8	4.4	4.4	4.4	5.	4.7	4.8	7.2	12	12
-	1.8	1.9	2.8	—	4.3	3.3	3.1	3.1	3.5	4.8	5.	4.9	4.7	5.6	5.1	5.4	7.1	11	12
	1.5	2.1	2.1	—	—	3.6	3.6	4.3	5.6	5.6	7.2	8.4	10	—	14	13	14	17	19
1	1.7	2.6	—	—	—	—	3.4	4.1	4.3	13	9.3	9.3	10	11	10	9.	9.1	17	15
-	—	2.9	3.	—	—	—	4.9	6.1	4.3	7.3	11	12	11	12	12	12	12	15	17
-	—	—	—	—	—	2.8	3.1	3.8	3.8	5.6	6.7	7.5	7.1	10	10	9.1	10	9.4	9.3
	—	—	—	—	5.	—	2.3	5	5.8	11	7.6	6	5	5	3.5	4	4.5	6.1	6.7
-	—	—	—	—	—	—	1.4	6	6.3	3.	5	4.5	4.5	5	5	6.8	4.5	8.1	3.5
-	—	—	—	—	—	4.1	—	—	4.1	—	2.8	4.6	4.2	4.5	4.3	—	3.7	6.1	—
-	—	—	—	—	—	6.8	7.3	13	15	13	13	13	23	14	14	18	18	23	20
7	—	5	—	—	9.3	13	11	11	—	7.5	6.4	8.4	6.6	10	—	12	12	—	—
9	—	—	—	1.9	1.8	1.8	1.5	2.3	—	2.2	1.9	3.4	3.6	3.6	4.4	3.6	—	6.3	—
5	1.5	1.5	1.5	2	2	2.9	2.9	3	3.3	4.1	4.5	5.2	7	9	12	12	13	15	20

THE SAME, BY GROUPS.

5	—	—	11	15	—	25	23	28	23	—	27	25	—	—	29	41	63	78	79
5	17	26	20	—	—	42	—	31	43	27	31	40	38	47	42	54	63	53	55
3	—	3.4	—	—	—	12	13	15	15	25	27	31	31	31	31	38	38	38	44
4	—	6.9	12	9	7.5	6.4	4.2	10	10	13	17	14	16	19	20	20	20	22	26
4	10	—	4	—	—	8.5	8.5	11	11	18	19	21	20	27	26	31	33	38	42
2	3.8	—	3.3	—	6.	5.3	4.7	5.5	8.	11	12	11	11	10	12	14	17	22	23
7	1.9	2.2	2.7	—	4.2	3.4	3.2	4.5	4.6	6.7	7.	7.2	7.1	7.6	8.	8.	8.6	12	12
—	—	—	—	—	—	4.1	—	—	4.1	—	2.8	4.6	4.2	4.4	4.3	—	3.7	6.1	—
9	—	—	—	1.9	1.8	1.8	1.5	2.3	—	2.2	1.9	3.4	3.6	3.6	4.5	3.6	—	6.3	—

d butter (simple average). Cereals: Wheat, flour, corn, meal, oats, rice, Irish potatoes, sweet potat

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The same table gives monthly index numbers of the currency prices of a variety of commodities, based on 1.00 as the typical price of each commodity in 1860, since the usual figure, 100, would have involved too large numbers in the last years of the war. These particular commodities had to be selected, because their prices were most regularly and consistently quoted in the available market reports of the time. A reasonable inference from this fact is that these commodities were among those most regularly dealt in, and hence that the variations in their prices fairly reflect the operations of economic laws. The newspapers, diaries, memoirs and other books of those years available to the writer furnished about three thousand individual price quotations of the twenty-two enumerated articles. These quotations were somewhat evenly distributed over the months of the four years, especially after November, 1862. There are some months — namely, February, June, July and September, 1862 — in which price quotations are rare, and often no typical index number could be constructed for the given month. The quotations of the prices of bacon and flour are most frequent and reliable, as those articles were most generally dealt in; while genuine quotations of the prices of tobacco and cotton are much rarer, since transactions in which they figure were correspondingly rare.

The prices of commodities varied greatly in different parts of the South during the war. Those on which the tables are based are taken largely from the Richmond and Charleston markets, from the various markets in North Carolina and from the New Orleans market, so long as that city was under the control of the Confederate authorities. The results obtained from the Charleston, Richmond and the North Carolina markets are the most trustworthy and satisfactory. Food articles were, as a rule, higher in price in the cities named than they were in the rural markets of North Carolina; while the opposite was true of imported articles, such as salt and coffee, especially toward the end of the war. In spite of these local differences in prices, the figures in the table represent the typical monthly price of each commodity in the South, as compared with the

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1860 price level; and they often represent the simple average between the Richmond-Charleston and the North Carolina figures, if there is any considerable difference between them.

Little reliance was put upon the schedules of official prices, published by commissions in various states and sections, according to which impressed goods were to be sold to the government. These were invariably below the actual level of the prevailing market prices, and are chiefly useful in pointing out the local differences in prices in any one month.

These fluctuations in prices are portrayed graphically in the chart on the opposite page, which calls for a few words of explanation. If the usual method had been followed, indicating the successive months by equal distances in a horizontal direction and the size of the corresponding index numbers by proportionate distances measured upward in a vertical direction, the lines resulting from plotting these figures would have represented in a striking way the gradual rise of currency prices during 1861 and 1862, and the rapid rise during the last two years, especially during the last few months of the war. During the first period, however, the lines thus drawn to indicate the monthly index numbers of the various commodities and groups of commodities would have been hardly distinguishable, in view of the minute vertical scale necessary to accommodate the high index numbers of the last months of the war. In order to avoid this difficulty, it was necessary to construct a vertical scale on which the increments of the index numbers should be represented by decreasing distances, so that, while the index numbers were small, their fluctuations could be plotted on a larger scale than when, in the later periods of the war, the index numbers rose to such enormous heights. The most available means of reaching this result seemed to be the following: A parabola was drawn from the left-hand lower to the right-hand upper corner of the chart, with the focus at the point *F*. By dividing the axis of the parabola — the o-line of the chart — into the requisite number of equal parts, and erecting thereon perpendiculars to their intersection with the parabola, these successive abscissas indi-

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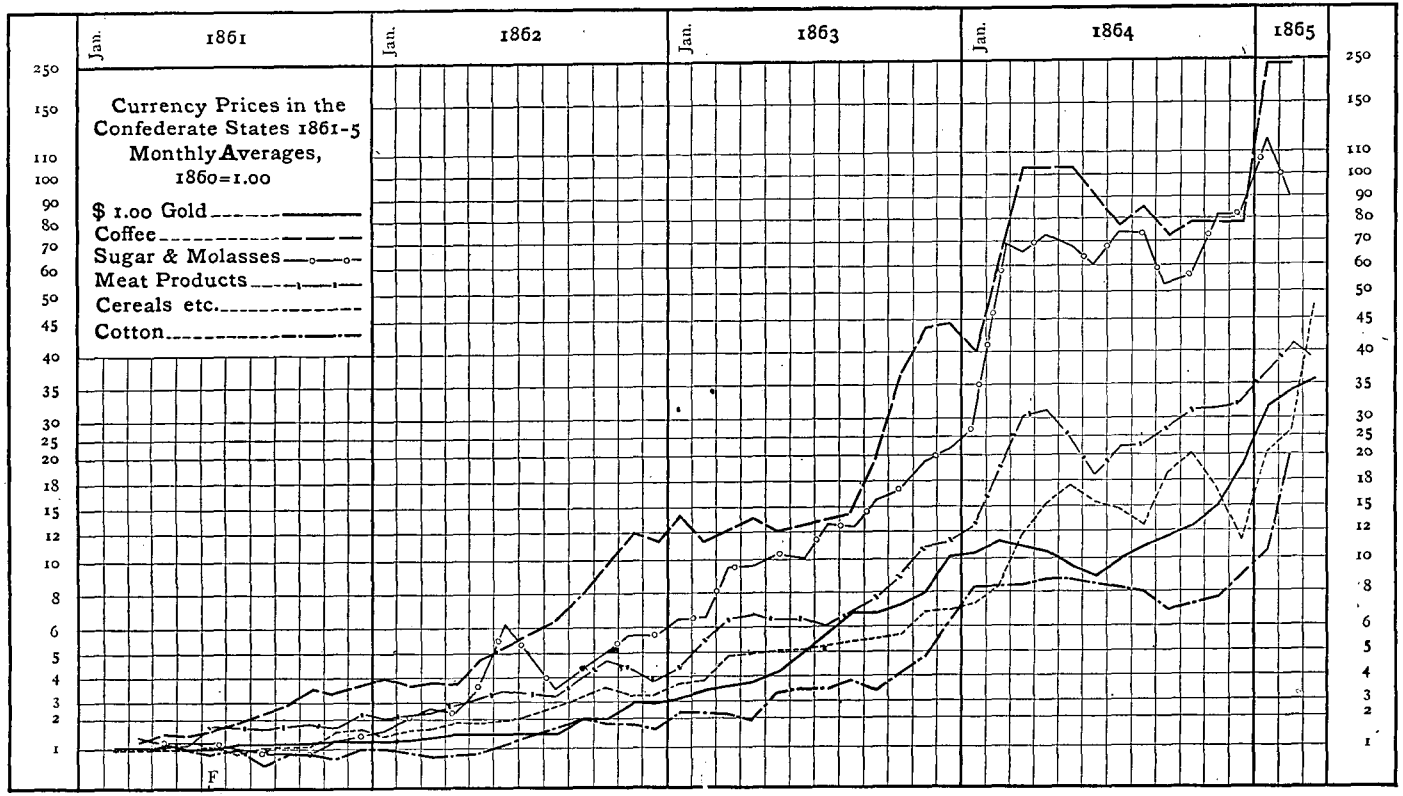

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cated the successive distances on the vertical scale which represent the index numbers from 0 to 200, the range of figures required. The figures representing the monthly fluctuations in currency prices, when plotted on the above distorted scale, give a series of lines, whose direction at any point no longer exactly indicates the rate of increase (or decrease) of the index number; and hence the rates of increase of the price of any commodity at different times, or those of different commodities at the same time, cannot be inferred from the slope of the tangent drawn at the particular point in the curve. While this chart sacrifices this advantage, which would have been obtained from a chart plotted in the usual way, it makes perspicuous the fluctuations in the prices of the various commodities, even before the excessive currency disturbance which prevailed during the last two years of the war.

Turning our attention now to the course of the gold premium in the South, as suggested by the unbroken line in this chart, we note first the general connection between its movements and the changes in the amount of Confederate treasury notes outstanding. In general, the varying amount of these notes in circulation is reflected in the movement of the gold premium. The relatively rapid increase in the issue of notes after August, 1862, during the last months of 1863 and again during the last months of the war, correspondingly drove up the premium at those three different times. When the amount of outstanding notes remained stationary at the beginning of 1863, there was a somewhat slower advance of the premium during those months; while the shrinking of the outstanding notes during the first half of 1864 is distinctly reflected in a temporary decline of the premium. The changes in the amount of notes outstanding at successive periods, however, is not sufficient to account for the course of the premium on gold. The fact that successive issues of treasury notes had resulted in having in circulation in the fall of 1864 paper promises to pay amounting to nearly one thousand millions of dollars, cannot, of itself, explain how a paper dollar had by that time fallen in value from par to three cents in gold. It is the enormous

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inflation of the currency by the issue of other than treasury notes that helps to explain the phenomenal rise in the premium. The Southern banks — which, with the exception of those in Louisiana, had suspended specie payments before the war broke out — added fuel to the fire by greatly enlarging their issues of notes; and their example was followed by every individual or corporation in possession of a printing press and sufficient audacity.

Some light is thrown on this interrelation between the amount of notes outstanding and the course of the gold premium by a study of the similar figures in the North during the same years. These are given on the following page; and they show that the United States treasury notes sank in value most rapidly at the beginning of 1863, recovering again during the second quarter of that year, declining after August, 1863, to their lowest point in the summer of 1864, and rising again during the last months of the war. The fluctuations apparently stand in no logical relation to the amounts of Federal "greenbacks" outstanding at these times, for they did not materially increase after July, 1863, and certainly not after July, 1864. In fact, the gold value of the Federal "greenbacks" ran closely parallel with the gold value of the Federal bonds during the war. This is also true of the Confederate bonds and treasury notes. The figures on the next page and the chart on page 290 point out this fact; and they also suggest that these two sets of parallel fluctuations were caused by the changing credit of the two governments concerned. They reflect the popular feeling on both sides as to the probability that the war would come to a successful close, as was suggested by the Richmond *Examiner* on April 1 and August 7, 1863 — not the feelings aroused by the daily or weekly returns from the seat of war, which are seen reflected in the daily and weekly fluctuations of the bonds and of the premium on gold, but the more deliberate public opinion, mathematically expressed by the average quotations during a series of months.

An examination of these figures suggests that the affairs of the Confederate States were approaching a crisis in the spring

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Average Quarterly Prices in Gold of United States Bonds (6%) and Confederate States Bonds (8%), United States Treasury Notes and Confederate States Treasury Notes (100 par).

		1861				1862				1863				1864				1865
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1
United States	Bonds	92.9	86.7	88.9	93	91.1	97.4	86.1	76.5	63.7	84.8	80.5	73.3	67.9	60.5	44.3	49.3	55.1
	Treasury Notes					99.8	96.3	85.9	77.4	64.4	67.2	75.9	67.1	62.6	53.1	41.5	44.7	50.3
Confederate States	Bonds				81.9	91	64.9	64.8	39.3	32.1	20.5	17.1	10.8	7.3	5.7		4.6	2.2
	Treasury Notes			90	87.5	82.7	66.7	60	39.5	29	18	9.1	6.3	4.6	5.3	4.6	3.2	1.7

Currency Prices in the United States, 1861–65. Quarterly Averages, 1860 = 100.

	1861				1862				1863				1864				1865
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1
Coffee	88	92	92	121	137	157	161	172	214	238	223	234	259	298	329	280	332
Sugar and molasses	84	77	69	115	109	104	126	129	132	130	142	165	173	221	286	228	273
Meat products	88	89	81	82	85	83	84	78	106	110	95	104	126	160	183	197	207
Cereals	89	86	75	79	86	85	106	101	117	140	120	137	169	166	214	192	213
Tobacco	83	83	91	81	110	120	120	169	188	180	223	192	171	228	228	224	271
Cotton	115	117	137	198	345	255	356	519	621	671	635	778	744	700	1417	1136	1104
$1 gold	100	100	100	100	103	104	116	129	155	149	132	149	160	189	240	224	142

Index Numbers of Northern and Southern Prices, 1861–65. Quarterly in Gold, 1860 = 100.

		1861				1862				1863				1864				1865
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1
South	Simple average	110	111	125	149	184	213	309	295	303	231	147	164	199	358	254	221	140
	Weighted average[1]	108	116	135	161	188	223	299	298	325	261	160	172	220	335	281	225	165
North	Simple average	91	91	91	113	142	129	28	151	147	169	355	182	171	157	184	167	201
	Weighted average[1]	87	87	79	91	93	93	78	81	82	93	96	93	100	100	94	93	118

[1] Weighted average: coffee, 5; sugar and molasses, 7; meats, 20; cereals, 10; tobacco, 1.

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of 1862, in the midsummer of 1863, in the first months of 1864, and in the first months of 1865, and, correspondingly, that at those times the North was most hopeful of ultimate success. The figures also show that the North was most despondent of success, and the South correspondingly sanguine, in the summer of 1862, the first months of 1863 and the summer months of 1864.

We do not have far to seek for these changes of sentiment on both sides of Mason and Dixon's Line. After the inaction of 1861, the spring of 1862 was signalized by the first series of Federal successes. The Northern troops established themselves firmly on the Southern Atlantic coast, by occupying Roanoke Island, Newbern, Beaufort and Norfolk; the Southern hope of breaking the Federal blockade with an improvised navy was frustrated by the *Monitor;* in the interior, Forts Henry and Donelson had fallen, and General Johnston's army had been driven back; and, above all, the Confederacy had lost New Orleans and had been cut off from easy communication with its trans-Mississippi states. The desperate straits to which the Confederacy was driven by these reverses are well seen in the passage of the Act of February 27, 1862, suspending the writ of *habeas corpus*, in the proclamation of martial law in Richmond a few days later, and in the conscription act of April 16, 1862, calling into service for three years all male whites between the ages of eighteen and thirty-five.

The Federal successes were not, however, followed up by others in the summer of 1862. On the contrary, the hopes of the South were raised, while those of the North fell rapidly; and, as the chart shows, the Northern bonds and notes fell much faster than did those of the South. Vicksburg successfully withstood the efforts of the Federal forces to open up the Mississippi River, while the failure of the Peninsular campaign had a most depressing effect on the North. Then followed the second battle of Bull Run, General Bragg's operations in Kentucky and General Lee's first advance into Maryland. Similar influences, depressing Northern and encouraging Southern feelings, remained operative till well on into the year 1863.

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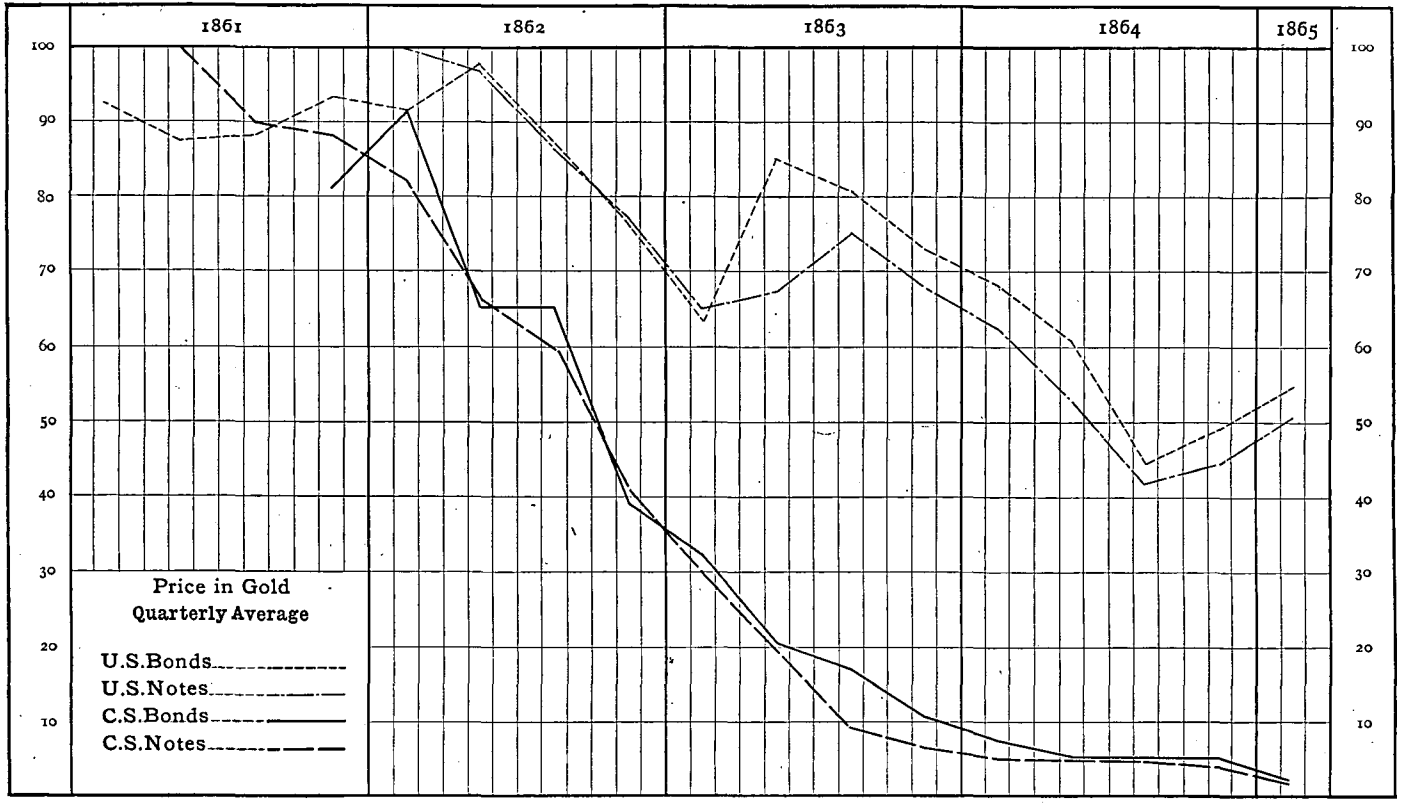

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With the summer of that year, however, the second crisis in the war was reached, when General Grant successfully invested and captured Vicksburg, and General Lee's invasion of Pennsylvania was brought to a close by the battle of Gettysburg; and these Federal victories depressed the gold premium in the North and raised it in the South. At that time[1] desertions were particularly frequent in the Confederate armies. The strong Union sentiment evidenced at the time in the western counties of North Carolina points in the same direction.

Again, in September and October, 1863, the hopes of the South were somewhat raised and the spirits of the North were correspondingly depressed, owing to the successes of General Bragg about Chattanooga and those of General Lee in Virginia; but, with the Republican victories at the polls of the North in November, and with the decisive Federal victory at Chattanooga, the gold premium in the South rose rapidly, while in the North its rise and fluctuations were small. This crisis in the affairs of the Confederacy was again met by a conscription act, an act for heavy taxation and the famous funding act — all of the same date, February 17, 1864. The last of these acts aimed at forcibly depressing the gold premium, by reducing the eight or nine hundred million dollars of notes outstanding; and it certainly succeeded, for the premium did not reach the figure at which it had stood in February until September, 1864. The fact, however, that during those same months, especially between June and September, the gold premium in the North rose to unprecedented heights, suggests that there must have been other factors beside the funding act operative in depressing the premium in the South. These it is easy to find in the victory of the war party in the North Carolina elections in July, 1864, in the failure of the Federal troops under General Grant and General Sherman to make any rapid advances, and perhaps in the nomination by the Democrats, for the presidency, of General MacClellan.[2]

But this temporary encouragement to the fortunes of the

[1] E. A. Pollard, Life of Jefferson Davis (1869), p. 326.
[2] J. B. Jones, Rebel War Clerk's Diary, II, 275.

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Confederacy soon gave way before the hopeless condition which confronted her after the Federal elections in November, 1864, and after the advance of General Sherman, the capture of the few remaining seaports and the final campaign of General Grant about Richmond. During those months the premium on gold in the South rose more rapidly than at any other time during the war, the gold dollar rising in value in currency from $26 in October, 1864, to $53 in January and $61 in March, 1865. The corresponding value of a gold dollar in "greenbacks" fell from its highest point, in November, $2.60, to the lowest point, in March, $1.48.

After attempting to explain, in general, the fluctuations of the gold premium, we now turn to those of the currency prices in the South, as given in the table opposite page 282 and indicated on the corresponding chart on page 285. For the purposes of the latter, most of the commodities have been arranged in groups. Sugar and molasses are combined and given one index number; meat products are made to embrace bacon, lard and butter, and the index number is the simple average of the three index numbers of those commodities; and the same method is employed with the cereals, which include wheat, flour, corn, meal, oats, rice, Irish potatoes and sweet potatoes.

A study of these figures shows at once that the currency prices of commodities rose with the rise in the price of gold, but generally much higher. So, for instance, cotton and tobacco were the only ones of the enumerated commodities which did not keep pace with the rise of the gold premium. While they lagged behind, the other commodities outran the rise of gold. Especially was this the case with coffee, salt, nails, candles, sugar and molasses. Meat products and cereals also rose in value somewhat more than gold. Something like this was true of Northern currency prices (see page 288). In the general inflation of prices in the North, too, coffee far outran gold; and this was also the case to a smaller degree with sugar, molasses and tobacco. The price of cereals, on the other hand, did not rise to correspond with the rise in gold, and the

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price of meat products fell much further behind. It is noticeable that the leading agricultural staples — cotton in the South, cereals and meat products in the North — were least affected by the inflation of the currency in either section.

One fact, in the general trend of currency prices in the South during the Civil War, is specially noticeable. Each unusual rise in the gold premium was not coincident with, but was followed by, a general rise in the prices of commodities. Thus, the effect of the rapid rise of the premium in the spring of 1862, the summer of 1863, the first months of 1864 and the first months of 1865, noted and explained above, was exerted upon the price level of commodities some time later. This is clearly indicated by the chart on page 285. In the North the currency prices of commodities responded more quickly to a sudden rise in the gold premium. Periods of high prices were in general coincident with, and did not follow, the periods when gold was at its highest: for instance, in the summer of 1862, the first months of 1863 and the midsummer of 1864, which — as was pointed out above — were the months of deepest depression in the North. The difference in this particular between the North and the South may perhaps be explained by the higher industrial development, the greater rapidity of circulation, and the larger markets and transactions in the North. This explanation is borne out by the fact that the currency prices in the city markets in the South responded more quickly to a rise in the gold premium — for instance, in the summer of 1863 and the first months of 1864 — than did the prices in the rural markets of North Carolina.

The derangement of prices and the enormous rise of gold and of commodities were at the time very generally ascribed to an unpatriotic mania for speculation;[1] and, as had been

[1] *Cf.* Charleston *Courier*, September 19, 1861, April 5, 7, 1862; Raleigh *Progress*, November 17, 19, 24, 1862; Richmond *Dispatch*, December 5, 1862; Richmond *Examiner*, January 31, March 31, May 9, June 30, September 8, November 20, 1863; Petersburg *Express*, June 18, December 10, 1862, August 31, October 23, 24, 1863; Journal Confederate House of Representatives, January 23, 1865; J. B. Jones, Rebel War Clerk's Diary, II, 361, 373, 378; F. Moore, Rebellion Record, III, 349, 391.

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done in Revolutionary times,[1] the blame for the unfortunate condition of things was thrown upon "the monopolizers, forestallers and engrossers." Laws were passed early in the war[2] to prevent speculation in gold and commodities, the old device of price conventions was adopted, and people were even advised to lynch a few of the obnoxious speculators.[3] Reference was made to the "successful" Federal legislation against speculation in gold.[4] In the contemporary comment of the newspapers I can find only a few correct analyses of the difficulty, the writers holding that the over-issue of paper currency, and the consequent inflation of prices, had caused unbridled speculation.[5]

It was quite natural that, as the war went on, the local differences in prices — the violent and sudden fluctuations and the relative divergences — should greatly encourage speculation. Such an incentive to speculation is further explained by comparing Northern with Southern prices, after reducing them both to a gold basis. This has been done in compiling the table on the opposite page, where the average quarterly price of the enumerated commodities, or groups of commodities, in both sections is given and compared with the prices prevailing in 1860, which are indicated by the figure 100. The divergence between the Northern and the Southern gold prices of coffee, tobacco and cotton suggests at once the powerful inducement offered to the development of trade in those articles, the South attempting to export cotton and tobacco to the North or some foreign country and to import (say) coffee in return. The great divergence of the light and the heavy unbroken lines in the chart on page 297, again, indicates the strength of the motive to export cotton, which was not weakened by any of the numer-

[1] H. White, Money and Banking, p. 138; Governor Letcher's message, September 7, 1863, in Richmond *Examiner*, September 8, 1863.

[2] Alabama Act, November 11, 1861; Florida Acts, December 17, 1861, December 10, 1862; Georgia Act, December 20, 1861; North Carolina Ordinance, December 11, 1861; South Carolina Act, February 6, 1863.

[3] Vicksburg *Evening Citizen*, November 13, 1861.

[4] *Cf.* Richmond *Examiner*, June 30 and August 5, 1863.

[5] Richmond *Examiner*, January 30, 1863 (a speaker in the Virginia House of Delegates); April 15, 1863 (editorial).

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GOLD PRICES IN THE NORTH AND IN THE SOUTH, 1861–65.

Quarterly Averages, 1860 = 100.

		1861				1862				1863				1864				1865
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1
Coffee	N.	88	92	92	121	134	151	138	133	138	160	169	157	162	158	137	125	167
	S.	115	141	210	326	379	367	733	836	805	537	293	462	482	725	545	377	272
Sugar and Molasses	N.	84	77	69	115	106	100	88	100	85	87	108	111	108	117	119	102	137
	S.	130	123	89	93	159	308	274	313	389	357	310	238	366	566	491	359	224
Bacon, Lard, Butter and Hides	N.	88	89	81	82	83	80	60	60	68	74	72	70	79	85	76	88	104
	S.	106	116	149	172	183	204	273	246	270	229	119	128	156	234	210	182	159
Wheat, Flour, Corn, Meal and Oats	N.	89	86	75	79	84	82	73	78	77	94	91	92	106	88	89	86	107
	S.	103	103	101	109	122	129	153	140	168	139	84	82	104	180	163	141	94
Tobacco	N.	83	83	91	81	107	116	103	131	121	151	169	129	107	121	95	100	136
	S.	107	79	—	122	—	—	—	143	126	69	42	35	31	—	53	—	34
Cotton	N.	115	117	137	198	336	246	306	402	400	451	482	522	466	371	590	498	555
	S.	98	104	77	70	76	56	94	89	63	53	35	42	58	84	61	46	55

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ous laws forbidding or hemming in its export,[1] or by the attacks of the newspapers — similar to those upon the speculators, as noted above — upon the unpatriotic exporters.

In fact, the Confederate regulation of trade, especially the interference with the export of cotton, was a striking modern instance of a kind of commercial warfare, the futility of which had been effectually proven during our Revolution and again during the years immediately preceding the War of 1812. Following these earlier examples in our history, a curiously contradictory policy was carried out by the Confederate government. On the one hand, an embargo on cotton was looked on with great favor, as offering the readiest means of coercing England into recognizing the Confederacy. The South, in exporting cotton, would, it was said, be throwing away its trump card — "selling its right arm of defence for coin," merely benefiting the North.[2] On the other hand, some saw that forbidding the export of cotton was merely biting off one's own nose, and that, instead of offering a means of coercing England, it was really playing into the hands of the Federal blockading fleet, and robbing the South of the most convenient means of buying abroad supplies of which it was so sadly in need.[3] These conflicting opinions were reflected in the actions of the government, which, on the one hand, prevented the cotton from leaving the country and, on the other hand, made exceptions in favor of individual exporters, who shared their profits with the government. Sometimes, too, the latter exported cotton and imported military supplies on its own account. Both practices, however, led to a variety of scandals, quite like those attaching to Robert Morris in the time of the Revolution.[4]

[1] Confederate Acts, May 21 and August 16, 1861; April 19, 23, 1862; February 6, 1864.

[2] Charleston *Courier*, September 23–25, 27, October 9, 14, 16, 1861; Charleston *Mercury*, February 5, 6, 1862; Official War Records, 1st Series, XVIII, 939; Richmond *Examiner*, August 7, 1863, February 15, 1864; Petersburg *Express*, August 27, November 5, 1862, September 12, 1863; E. A. Pollard, Life of Davis (1869), pp. 115, 169; Resolution Georgia Assembly, quoted in Richmond *Examiner*, April 28, 1863.

[3] Charleston *Courier*, September 4, 24, 25; October 16, 1861.

[4] Richmond *Examiner*, February 15, 1864; Charleston *Courier*, September 8, 1863; Opinion Attorney-General G. Davis, July 30, 1864 (in MS.); Letter of Sec-

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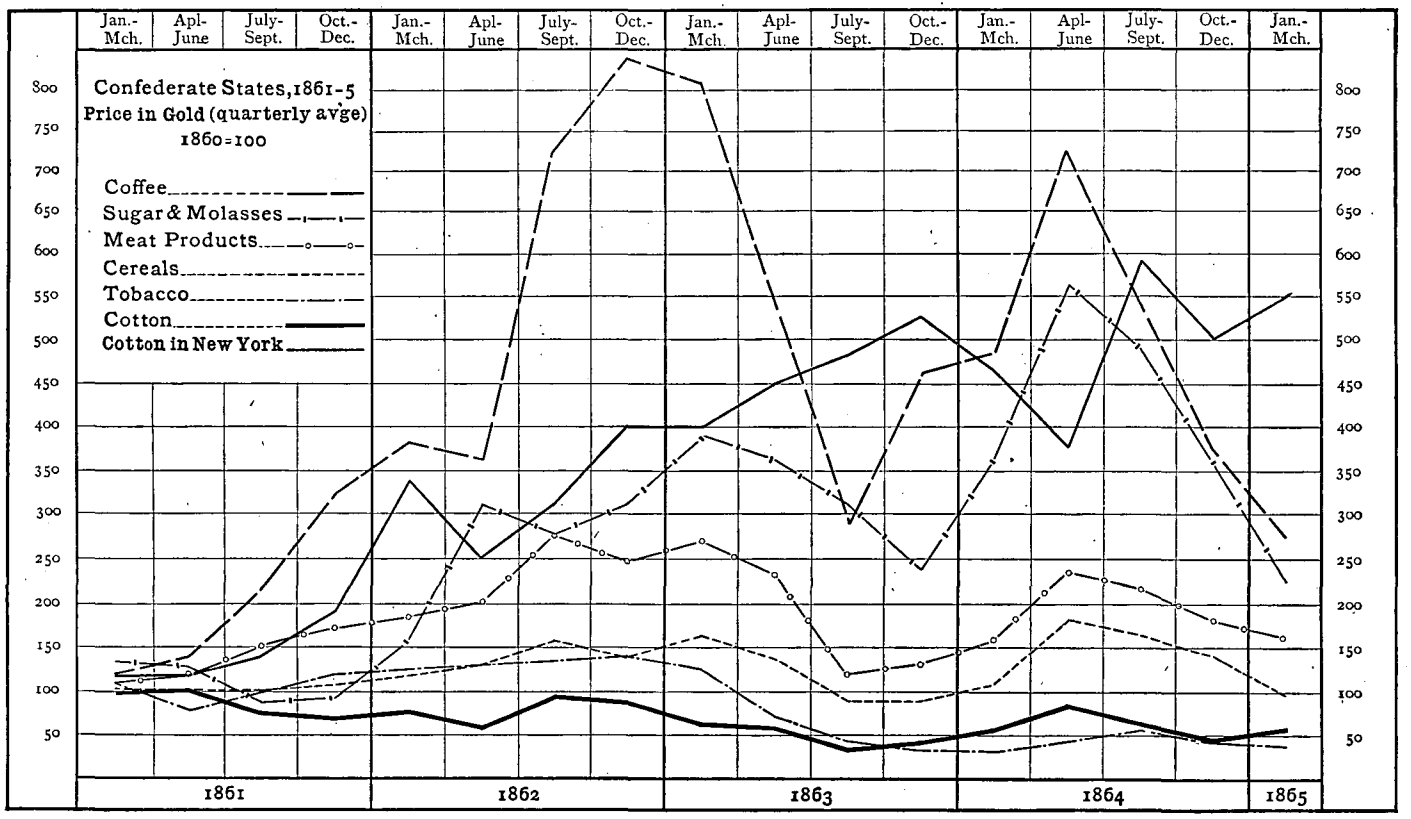

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While the amount of cotton exported was not considerable, the profitableness of such ventures is attested by the organization of numerous trading companies, especially during 1863 and particularly in South Carolina and Virginia, and by the high price of their shares — reaching, in some cases, ten times their par value. Beside exporting some cotton from the blockaded ports of Charleston and Wilmington, the Southern merchants exported some across the Rio Grande River to Mexico and thence to Europe.[1] This trade grew more and more hazardous, however, as the Federal blockade and occupation of that coast, the capture of Brownsville, Texas, in November, 1863, and the watchfulness of the French authorities in Mexico interfered with the exchange of cotton for war materials. Here, too, we can see the contradictory policy pursued by the Confederate authorities — on the one hand, interfering with the trade as being an encouragement to the enemy; and, on the other, encouraging and sharing in it, as offering a convenient way of procuring much needed supplies.

Similar inconsistency is seen in the treatment of the overland trade, especially in cotton, with the North. This trade through the lines of the two armies was extensively carried on,[2] though frequent attempts were made to stop it.[3] At the same time, the great advantage of thereby procuring a supply of medical and other stores often led to the encouragement by the Confederate military authorities of this trade with the Federal merchants.[4] So, for instance, in May, 1864, passes were given

retary of the Treasury C. G. Memminger to Fraser, Trenholm & Co., Liverpool, March 22, 1864 (Confederate Archives, U. S. War Department); North Carolina Secret Act, December 21, 1863; Raleigh *Progress*, May 19, June 27, 1864.

[1] Official War Records, 1st Series, vol. xxvi, part ii; vol. xxxiv, parts ii–iv, *passim*; vol. xli, part iii.

[2] Official War Records, 1st Series, vol. xxvi, part ii, pp. 434–436, 558; vol. xxxii, part iii, pp. 833, 834; vol. xxxiv, part ii, pp. 971, 972, 982, 983; vol. xxxix, part ii, pp. 583, 584, 725, 726, 863, 864; part iii, pp. 860–862; vol. xlvi, part ii, pp. 1075, 1076, 1423, 1426, 1427; vol. xlviii, part i, p. 1316; vol. xlix, part i, p. 1011.

[3] *Loc. cit.*, vol. xxxix, part ii, pp. 725, 726, 827, 863, 864; part iii, pp. 860–862; vol. xlvi, part ii, p. 1075; vol. xlviii, part i, pp. 1414, 1415, 1423; part ii, pp. 1265, 1266.

[4] *Loc. cit.*, vol. xxxix, part ii, pp. 863, 864; part iii, pp. 860–862.

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by General Polk to persons who were to get cotton to Vicksburg, in the hope of keeping the Federals quiet and of procuring supplies. His orders were: "See that the Yankees get cotton now and then, but not faster than suits our purposes."[1] A few months before General J. R. Chalmers expressed the opinion that trade with the Federals should be encouraged, and that the policy of burning cotton was a ruinous one.[2]

The relative movements of the gold prices of cotton in the North and in the South reflected — as did the similar movements of the gold premiums — the changing popular feeling in both sections as to the prospective close of the war. A glance at the chart on page 297 shows that the light and the heavy unbroken lines, indicating respectively the gold price of cotton in the North and that in the South, converge in the spring of 1862 and in the beginning of 1864; and shows that they diverge in the summer of 1862, at the beginning of 1863 and especially in the summer of 1864. The first two periods were, as we saw, characterized by decisive Federal gains, — on the Mississippi in 1862 and at Chattanooga in 1864, — which, working together with other circumstances, made it appear to both sides that the end of the war might not be far off. As a result of such feeling, the gold price of cotton fell rapidly in the North at both times, though it remained at least stationary in the London market. In the South the gold price of cotton fell, too, in the spring of 1862; but, under similar circumstances in the spring of 1864, it rose as the prospect grew of getting the cotton to a market; and it fell again after the middle of 1864, when that prospect was dimmed by the apparent postponement of the end of the war.

The index numbers for tobacco are less reliable than those for cotton, for they are based on fewer quotations; but we see, in general, that the prices of the two commodities kept more or less closely together, and that tobacco and cotton declined in gold value most of all the enumerated commodities. This

[1] *Loc. cit.*, vol. xxxix, part ii, p. 584.

[2] *Loc. cit.*, vol. xxxi, part iii, pp. 833–835. The Secretary of War had expressed the same opinion a year before, *cf. ibid.*, vol. lii, p. 465.

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was, of course, natural, as the South, with its enormous supply of cotton and tobacco, was shut out of the world's market by the success of the Federal blockade. For the same reason tobacco and cotton were practically the only leading commodities whose prices in the world's market, during the war, rose above the 1860 level to any considerable degree.

Coffee also rose in the world's market to above the level of 1860. This, however, was very evidently not due to the disturbance caused by the war, but was the result of conditions affecting its production elsewhere. These conditions must also have affected the gold price of coffee in the South; but they can only to a slight degree explain its enormous rise, and certainly cannot account for its fluctuations. As it was a commodity obtained exclusively by importation, which was then almost completely cut off, coffee became very scarce and its price rose higher than did that of any other of the enumerated commodities (see chart on page 297). The price rose rapidly during the first two years of the war, as the Federal blockade became more and more effective, and especially after the Federal troops had captured New Orleans and some of the Atlantic seaports in the spring of 1862. It reached its highest point at the end of 1862, then fell off rapidly during 1863, recovered temporarily in the early part of 1864, but soon resumed its downward course. A reasonable explanation — a partial one, at least — of the apparently anomalous fact that coffee was dearest in the second and not in the last year of the war, is that, with the growing scarcity of the article, the consumption of it declined still more rapidly and substitutes took its place. After 1862, indeed, the army rations no longer included coffee.[1]

The gold price of sugar and molasses fluctuated very much like that of coffee, though not as violently. It reached a high point in the winter of 1862–63 and again in the spring of 1864, but fell off rapidly after those dates, as did the price of coffee. As these products were very largely supplied from

[1] Regulations of Subsistence Department, 1862, p. 7; Official War Records, 1st Series, vol. xxiv, part iii, p. 1055; vol. xxvii, part iii, p. 536; vol. xxxii, part ii, p. 608.

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abroad, the blockade drove the price up, toward the end of the war, nearly as high as it drove that of coffee, and sugar and molasses no longer figured in the rations of the troops. The price of meat products, however, did not rise as high as that of sugar and molasses, since the supply of them was derived more largely from home production; but it fluctuated with that of the latter, reaching a low figure in August, 1863, and a high figure in the first half of 1864. The supply of cereals, again, was relatively more abundant in the South, especially as the war progressed and the farmers turned from raising tobacco and cotton to raising food products. Consequently, the price of cereals remained most nearly at the level of 1860, though it fluctuated somewhat, more or less in conformity with the fluctuations of the groups already discussed.

In general, then, our conclusions from the figures on page 295 and the chart on page 297, regarding the six commodities and groups of commodities concerned, must be as follows: Two, tobacco and cotton, whose supply was wholly or partially monopolized by the South, fell in price (as expressed in gold) during the war below the level of 1860; coffee, the supply of which was wholly derived from abroad, rose to the greatest height, followed more or less closely by sugar and molasses; while meat products and cereals stand between these two extremes, according as their conditions of supply approximate to those of the one or the other.

There remains, finally, the problem of explaining the general concurrence of the fluctuations of these six lines, all rising to a high point in the winter of 1862–63, declining during the greater part of 1863, rising again to a high point in the spring of 1864 and then declining till the end of the war. A clue to the solution is given, as above, by the figures representing the gold prices of commodities in the North during the war (see page 295). The general trend of these prices is complementary to the trend of commodity gold prices in the South, as was also shown to be true of the gold premium in the North and in the South. Though not fluctuating as violently as it did in the South, the price level of commodities in the North

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(in gold), after rising till the second quarter of 1862, fell off till the end of that year, while prices in the South were rapidly rising. During a large part of 1863 the downward trend of Southern prices found its complement in the rise of Northern prices. Likewise, toward the end of the war, the rapid fall in the South coincided with a decided rise of prices in the North. If the figures for the quarterly prices in gold of commodities in the North (on page 295) had been plotted on the chart on page 297 (which, because of fear of making the chart too cumbersome, was not done), the fact would have at once become evident that, aside from cotton and tobacco, all the enumerated commodities were cheaper in the North during the war.

Moreover, if two sets of index numbers are constructed to represent the general course of prices in gold in the North and in the South, as has been done on the opposite page, the two lines representing these movements do not run parallel, but converge and diverge during different periods of the war — converging at those times when events in the military, the political or the financial field discouraged the South and correspondingly encouraged the North in the general belief that the war was approaching an end; diverging at those times when Federal reverses, or similar events in other than the military field, raised the hopes of the South and led to the belief on both sides that the war would be protracted.

The two lines diverge during the first two years of the war, when the lack of success on the part of the Federal troops made it more and more doubtful whether the war would come to an early end. This is especially true of the second half of 1862, when general prices rose to a great height in the South and were particularly low in the North. This was the time following the successes at the mouth of the Mississippi, when the North was depressed and the South was correspondingly elated by the results of the attack on Vicksburg, by the Peninsular campaign and the following movements, by General Bragg's successes in Kentucky and by the results of the elections in the North. The lines converge again from the first to the third quarter of 1863 — namely, during the Vicks-

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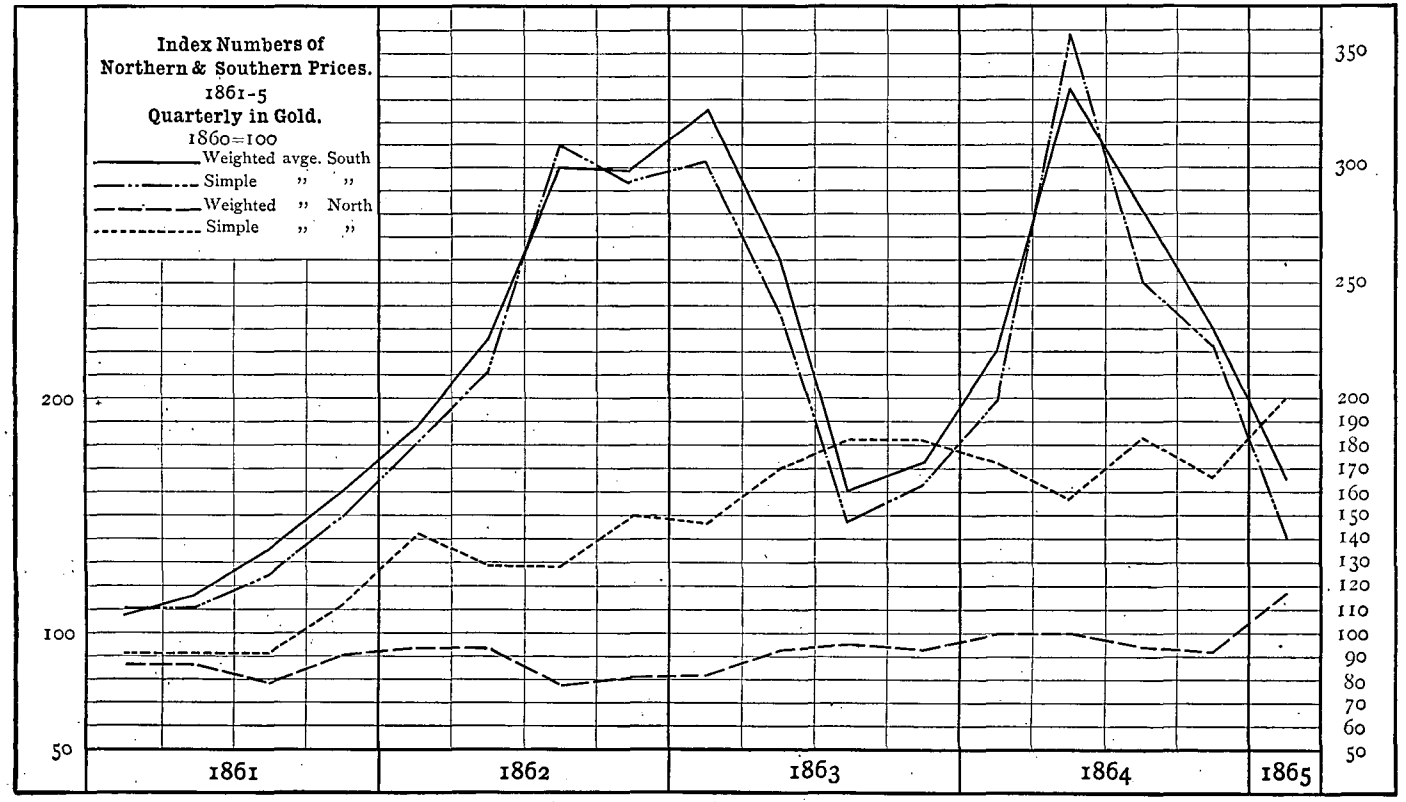

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burg and Gettysburg campaigns, and while the South was meeting its difficulties with a conscription and a funding act and was facing discontent in North Carolina. They diverge from the third quarter of 1863 to the second quarter of 1864, as they had done during each of the preceding winters of the war, when the Federal advances were delayed and the Northern troops were unable quickly to follow up their previous successes. Finally, they converge from the second quarter of 1864 to the end of the war, as the victorious campaigns of Generals Grant and Sherman made it more and more evident that the Confederate government was doomed.

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THE DISTRIBUTION OF PROPERTY TAXES BETWEEN CITY AND COUNTRY. I.

I.

IS the American farmer overtaxed? This question has usually been answered in the affirmative by impartial students of the subject, as well as by the farmers themselves; but, on the other hand, complaint is frequently made, especially by metropolitan newspapers, that too much of the burden of taxation is being thrown upon the cities. From New York to San Francisco, in editorial articles and otherwise, it is made to appear that the chief work of state boards of equalization consists in transferring to the cities taxes which ought to be paid by the country districts. Even in Philadelphia and Baltimore, where there are no state boards of equalization, complaints are made that in the distribution of the school fund part of the burden of supporting the country schools is shifted to the shoulders of city taxpayers.[1] A similar condition, too, is found to exist in New Jersey, where Essex County, including Newark and several smaller cities, helps to support the schools in some of the rural counties.[2]

The efforts of state and county boards of equalization, which exist in more than half the commonwealths, might be expected to prevent injustice as between city and country, if equalization were an exact science; but it is not. Nowhere else is so elaborate an apparatus provided for distributing the burden of the state property tax as in the state of New York; yet it is there that the complaints of injustice are loudest. For many years New York has had a board of state assessors, charged with the duty of investigating the relations between values and assess-

[1] Philadelphia *Public Ledger*, Sept. 10, 1897, and Sept. 16, 1898; First Annual Report of the Bureau of Industrial Statistics of Maryland, pp. 109, 110.

[2] Reports of the State Board of Taxation: 1896, p. 110; 1897, p. 73.

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ments in the various counties, and forming part of the state board of equalization. When the tax laws were codified in 1896, the state assessors were renamed the state board of tax commissioners and were endowed with somewhat more effective powers than before. These commissioners are required to visit every county in the state at least once in two years, to inquire into the methods of assessment and to ascertain whether the local assessors discharge their duties faithfully, especially as to the assessment of property at its full value as required by law. They also sit annually with certain other state officials as the board of equalization, to adjust the county assessments of real estate on the basis of the information obtained. An estimate having been made for each county as to the percentage of true value represented by the assessment, the latter is increased to the estimated true value, an average percentage is then found for the state, and the true values are all multiplied by this fraction. Thus, the aggregate assessment remains the same as before, but the various counties have their assessments raised or lowered, according as they were found to be below or above the average. Equalization between the towns of the several counties is attended to either by the county boards of supervisors or by commissioners of equalization appointed by them; but every town, city and ward has the right of appeal to the state board of tax commissioners.

It is the practice of the board of equalization to increase the assessment of New York County, and to reduce the assessments of most of the other counties in the state. The equalization table of 1897, for example, added $88,988,103 to New York City's assessment, which had been estimated to be 63 per cent of the true value of taxable real estate in the city, as compared with a little more than 66 per cent for the state as a whole. The board of taxes and assessments of New York City was so dissatisfied with this arrangement that it undertook an independent investigation into the assessments in various parts of the state; and last July it announced its results for eighteen counties which had been credited with relatively high assessments, averaging 78.4 per cent. According to the city board, the high

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percentages assigned to these counties were incorrect, and the true average was only 45.5 per cent, no county in the list being entitled to a higher percentage than 57. The method of investigation was not divulged, and no revised estimate was made for New York City itself, but a reduction instead of an increase was demanded for that city in the equalization of 1898.

To this statement the state board of tax commissioners replied at some length in its report to the state board of equalization in September. The statement was declared to be "grotesquely and preposterously absurd," and "made in such absolute ignorance of existing facts as to render it utterly valueless." In several instances the original estimates were shown to be supported, or more than supported, by evidence submitted by county authorities. Thus, in Albany County, where the assessment was 78 per cent of the true value according to the state board, but only 49 per cent according to the city board, the county supervisors claimed a ratio of at least 85 per cent, and submitted several instances of property in the city of Albany which had been sold or offered for sale at less than the assessed valuation. Columbia County, credited with 72 per cent by the state board and 53 per cent by the city board, submitted a long list of sales showing an average assessment of over 84 per cent of the selling value. In Dutchess County, credited with 71 per cent by the state board and 55 per cent by the city board, a complete list of *bona fide* sales for which the consideration could be ascertained showed an average assessment in 1897 of more than 85 per cent. In Monroe County, credited with only 45 per cent by the city board, a hotly contested appeal from the county equalization brought out testimony showing that the state board's estimate of 70 per cent was too low instead of too high. In the case of Montgomery County, evidence submitted under similar circumstances seemed to support the state board's estimate of 70 per cent, rather than the city board's estimate of 39 per cent. Onondaga County, credited with 85 per cent by the state board and 47 per cent by the city board, presented a long list of sales to show that even the former estimate was too low. Oswego

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County, credited by the state board with 71 per cent and by the city board with 40 per cent, submitted a list of more than 360 sales, certified to contain practically every sale between a willing seller and a willing buyer within two years, which showed an average assessment four per cent above the selling value.

The state board also ventured to make an estimate for New York County, or the former city of New York, based upon real estate deeds, appraisals by real estate brokers, sales at auction, mortgage loans, building permits, private inquiries, *etc.*, and it reached the conclusion that real estate in that county was assessed at about one-half its true value. Yet, to avoid any possibility of injustice to that county, as the board explained, it was credited for the purpose of equalization with 63 per cent, or the same percentage as for several years past. In conclusion, the board declared its conviction that, if the equalization table of 1898 worked any injustice as between New York County and the rest of the state, New York County was not the sufferer.[1]

Although New York's percentage was allowed to remain at the old figure, an increase in the average made the amount to be added to New York County's assessment $188,753,109, or nearly one hundred million dollars more than was added in 1897. This may also be taken as approximately the amount added to Greater New York as a whole, for the sums added to the boroughs of Brooklyn and Richmond are nearly counterbalanced by a deduction in the case of Queens. The total assessment of real and personal property in Greater New York, as made before consolidation but equalized in 1898, is about $2,985,000,000. The amount cannot be stated exactly, because one of the towns of Queens County is cut in two by the new metropolitan boundary line. The corresponding figure for the entire state is $4,898,611,019.

The data on which the percentage assigned to New York County is based are explained in the report of the state board of tax commissioners for the year 1897.[2] Numerous inquiries

[1] Annual Report of the State Board of Tax Commissioners, 1898, pp. 17–24.
[2] *Ibid.*, 1897, pp. 21–26.

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were addressed to real estate brokers, to lawyers and to others familiar with prices of real estate; and in reply the board was repeatedly assured that, while in a great majority of cases real estate was assessed in that city at about 60 per cent of its full market value, yet in many cases of large holdings by wealthy estates and large corporations, the average of assessment would not exceed 40 per cent.

Ex-Controller Fitch is quoted as saying that in some cases the assessments were as low as 30 per cent of the prices paid for the property when bought for municipal purposes. The increase of assessments since 1880 is shown to be very much less than the estimated cost of new buildings during the same period, as shown by the records of the department of buildings; and also very much less, proportionately, than the corresponding increase in the other principal counties of the state. From 1874 to 1897 the equalized valuation of real estate in New York County increased only 124 per cent as compared with an average of 136.8 per cent for the other counties of the state.

In reply to repeated criticisms, the chairman of the board has made public, more in detail, the basis of the estimate of 1898, and has succeeded in making out a strong case.[1] The board had 390 pieces of real estate in New York County appraised by real estate brokers. On 200 pieces appraised by one broker the assessment averaged only 51.3 per cent of the appraisals; and on the other 190, appraised independently by another broker, the assessments were 50.5 per cent of the appraised values. This property had all changed hands within a year, and the assessments were only 49.5 per cent of the expressed considerations.

In the mind of one not a resident of Manhattan or the Bronx the question naturally arises: Is not the board, in avoiding the possibility of injustice to the city by so wide a margin, doing injustice to the rest of the state? In the case of other counties the board more often puts the percentage below than above what the sale prices show. Has not the effectiveness of public opinion in the metropolis more than counterbalanced the lack of direct representation on the state board of tax commissioners?

[1] *New York Tribune*, September 19, 1898.

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This controversy between city and country in the state of New York is no new thing. As long ago as 1873 the state assessors undertook to find out the truth of the matter and reported as follows:

> Until we entered upon this investigation we were of the opinion that the valuation of real estate in the country was very much less than it ought to be when compared with the valuation of cities, but the testimony of supervisors and assessors representing both city and country, confirmed by the opinions of a large number of intelligent gentlemen in different districts, compels us to change our views, and we are forced to the conclusion that the real estate of the country, with here and there an exception, bears its full proportion of the tax imposed for state purposes. . . . If residents of cities who think themselves oppressed by the country in this matter of taxation, will go over the state and take full notes of life and labor there, they will doubtless change their opinions.

And in a recent report[1] the state board of tax commissioners said:

> If this was true in 1873 it is much more emphatically so now, as in many rural counties of the state there has been depreciation in the value of agricultural lands, since that date, of 50 per cent, while in most of the cities the value of real estate has steadily increased.

In 1886 the New York City commissioners of taxes and assessments had lists of sales and assessments prepared for nearly all the counties in the state, and these showed a higher average assessment in New York City than in the country; but the lists seem to have been very incomplete, and many counties submitted lists of their own, showing very different results. The conclusion reached by the state assessors was that the lists furnished by New York City, and many of those submitted by the counties in reply, were "almost wholly worthless and unreliable"; and as if that were not enough, they were also said to be "alike unreliable, misleading and deceptive."[2]

From all this it is evident enough that both the process of equalization and the criticisms made upon the results are based largely upon guesswork. The state board of tax commissioners

[1] Annual Report, 1896, p. 10. [2] *Ibid.*, 1897, pp. 25, 26.

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itself admits "the inadequacy of the information obtainable in a meeting of a few hours with officials of each county, upon which to base a reliable estimate of the actual percentage of assessment to real value." Complete lists of *bona fide* sales, showing the consideration and the assessed valuation of each piece of property, might be thought to supply a fairly trustworthy guide to equalization; but the lists of sales presented on behalf of some of the counties do not always purport to be complete, and they are always open to the suspicion attaching to *ex parte* statements. At all events, the commissioners, while relying very largely upon these lists, for some reason seem not to have the courage of their convictions sufficiently to abide strictly by the evidence of the figures; so that, notwithstanding the mass of statistical data submitted in evidence, the final decision is reached somewhat arbitrarily.

If equalization is based upon guesswork in New York, a more emphatic term is needed to describe the process in many of the other commonwealths, where the boards of equalization proceed more like legislative assemblies than like either statistical boards or judicial bodies. It is safe to say that nowhere is a more thorough and conscientious attempt made to compare the assessments of the various counties than in New York. The failure of the system there is due neither to inefficiency on the part of the officials nor to indifference on the part of the public, but to the simple impossibility of accomplishing the desired result. In other words, state equalization is necessarily a failure, wherever it is not a farce. If it is to be continued, the most logical and consistent procedure would be for the state officials to have complete lists of sales made for each county by their own clerks, showing the ratios between assessments and prices, and then to abide by the result; but it is much to be feared that the more the records are resorted to for this purpose, the less trustworthy will the stated considerations become. In a word, New York's elaborate and conscientious attempt to make equalization work serves only to show that it is not workable, and that state revenues must be derived from other sources than the property tax.

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II.

Returning now to the farmer, for the purpose of ascertaining whether he is overtaxed in comparison with other classes, it is first necessary to find a measure of tax-paying ability which is itself capable of statistical measurement. Unfortunately, the farmer's income is an unknown quantity; for not only is it made up of rent, interest, earnings of management and wages, but it is received partly in money and partly in products consumed by the producer and his family, to say nothing of the rental value of the farmhouse. With our present knowledge it is impossible either to state the total income of the agricultural class, or to compare it with the capital employed in its production or with the income of other classes. Still less is it possible to measure the farmer's faculty, or power of production, which President Walker proposed as the ideal basis of taxation. Something of this kind has indeed been attempted by Professor C. S. Walker, who, for the purpose of comparison, resolves an hypothetical farmer's taxes into their cost in labor.[1] Assuming that the value of the average Massachusetts farmer's real estate, tools and stock is $4000 and that the average tax rate is $15 a thousand, he finds that the farmer's taxes amount to $60 a year, or the equivalent of interest on his capital at five per cent and farm wages at $300 a year for forty-three days; while the owner of a mortgage for $4000 on another's farm would in Massachusetts pay nothing but a poll tax of two dollars, equivalent to the wages of two days, or at factory rates even less. This is certainly an interesting contrast between the money-lender and the man whose capital is invested in his own farm, and perhaps it would not need to be very materially modified to adapt it to a commonwealth which tries to tax the holders of mortgages; but the reduction of taxes to labor cost really helps the comparison but little, and if applied to statistical aggregates instead of to typical cases, it would only complicate the problem.

For lack of a better available basis of comparison, therefore,

[1] "The Massachusetts Farmer and Taxation," *Yale Review*, VI, 64 (May, 1897).

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it is necessary to take as our measure of tax-paying ability the only one which most of the commonwealths legally recognize as such. Accumulated property, whether or not we may regard it as a satisfactory measure of ability, is the only element of well-being which can be compared with the taxes paid with any approximation to accuracy. Even this comparison cannot be made strictly between farm owners and all other property owners; for, while the value of agricultural property is given separately in national and state census reports, there is no means of ascertaining the amount of taxes paid on such property. The only practicable method is to make the comparison between urban and rural districts, or at best between city real estate and acre property, thereby approximating as nearly as possible to a comparison between the agricultural and other interests. The dividing line between urban and rural communities must, of course, be fixed somewhat arbitrarily; but, following the custom of the census office, let it be fixed at a population of 8000. Of course there are many men besides farmers in villages of less than that number of inhabitants; but the census figures show that, setting aside places of more than 8000 inhabitants, the remainder of the country is predominantly agricultural, more than half the families living on farms.[1] Villages composed mainly of farmers and persons living wholly or partly by market-gardening, fruit-growing, dairying, poultry-raising and the like, together with their families and the shopkeepers and professional men necessary for their convenience, ought obviously to be classed as rural communities. It is a fair inference from the census figures that most places of less than 8000 inhabitants are of this description; and it is a matter of common observation that the agricultural population is coming to live more and more in villages instead of in complete isolation. Over against the non-agricultural population of rural villages and mining camps must be set nearly 28,000 families living on farms within the limits of towns of more than 8000 inhabitants,[2]

[1] Report on Farms and Homes: Proprietorship and Indebtedness, p. 34.
[2] *Ibid.*, pp. 29, 30.

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besides an uncounted number of townspeople who cultivate small gardens and orchards, or engage in other pastoral employments.

It may be assumed for the purpose of this comparison that the taxes paid by various communities are proportional to the assessments; for, while local tax rates vary with local expenditures, we are now concerned only with the distribution of those taxes which affect both city and country. Reduced to its simplest terms, therefore, the problem is simply to ascertain the relations between assessments and true values in urban and in rural taxing districts. Even this is by no means an easy problem; but it happens that some of the materials needed for its solution are to be found in certain state documents and in various other out-of-the-way places. The state boards of equalization, whose business it is to know these relations, generally avoid any approach to a statistical method of inquiry, and are curiously reticent as to what their methods and sources of information really are; but taxation has recently become a favorite subject of investigation by state labor bureaus, several of which have issued reports which deserve a place beside those of the commissions specially created to study the subject, and which serve at least to show that the distribution of taxation is a statistical problem.

One of the most extensive and most valuable of these comparisons between assessments and true values, as well as one of the earliest of those which have any real value, was made under the auspices of a voluntary association — the Pennsylvania Tax Conference. The question between city and country had been raised in Pennsylvania, but not very conclusively answered, by the official Revenue Commission of 1890–91; for, while the majority of the commission declared it to be conceded by all candid and well-informed persons that the existing tax system was grossly inequitable and bore with crushing weight upon agriculture, a minority report by Mr. John A. Wright estimated that rural property, including farms, dwellings, stores and unimproved land, was assessed at not much more than one-third of its value, as compared with one-half to three-fourths in the

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cities and boroughs.[1] The commission on valuation and taxation appointed by the Tax Conference undertook the difficult task of ascertaining the true value by sending its agents into the various counties (or in some cases employing local clerical assistance) to examine the records of real estate transfers and compare the selling prices with the assessed valuations of the same property in 1892. Excluding sales made for nominal considerations and other cases in which it was impossible to make a true comparison between selling value and assessment, the investigation covered all other recorded sales made during the first six or nine months of 1892, and in some cases during the whole of both 1891 and 1892, the aim being to secure a sufficient number in each county to make the result representative of the county as a whole. The total number of sales included in the calculation was 27,574, or an average of 411 to a county; in Philadelphia 6897 were taken, and the smallest number in any county was 43. The results showed that acre property was assessed on an average at 57.1 per cent of its value, and town lots at 62.8 per cent of their value; or, classifying the sales by minor civil divisions and weighting the averages according to the total assessed valuation of each division, the percentages obtained were 64.2 per cent for the cities, 57.2 per cent for the boroughs and 61.8 per cent for the townships, or rural districts. While these figures show that Mr. Wright's estimate for the country was much too low, unless a very marked increase of assessments or depreciation of property had taken place in the mean time, they appear to confirm his general conclusion that the farmers were not unfairly taxed; but they also indicate that the greatest discrepancy between values and assessments was neither in the country nor in the large cities, but in the boroughs, or smaller towns and villages.[2]

But these general averages really have little practical significance, because in Pennsylvania the tax on real estate is not a

[1] Report of the Commission Appointed to Prepare a Revenue Law (Official Document No. 26, 1891), pp. 6, 58.

[2] Selling Price, Assessed Valuation and Taxation of Real Estate in Pennsylvania, pp. 1–9.

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state tax, and it is therefore not a state problem that is here investigated, but sixty-seven distinct county problems. The important question in each county is: What property escapes taxation to the greatest extent in this county? The important question in a general view is: In how many counties is agricultural property assessed higher than city property, and in how many is the reverse true? It by no means follows from the general averages that the advantage they show in favor of the country holds true in all parts of the state, or even in a majority of the counties; for the averages may be unduly affected by abnormally great discriminations one way or the other in certain counties, which in this case have only a local significance. As a matter of fact, a careful examination of the commission's published tables shows that the assessment of acres was higher than that of lots in forty counties, and lower in only twenty-seven counties; or, taking the figures by civil divisions, that the rural districts had assessments higher than those of either cities or boroughs in thirty-three counties, intermediate between them in nine counties (in six of which the lowest assessments were in the cities), and lower than either in only twenty-four counties. In this case the abnormal discrepancies which unduly affect the state averages and make them deceptive consist of much too low assessments of acre property in Philadelphia, and, to a less degree, in Allegheny County (where proximity to Pittsburg and Allegheny gives such property a speculative value) and in a few of the less important counties. Of the twenty-six counties containing in 1890 cities or boroughs of more than 8000 inhabitants, the assessments were higher on acre property than on lots in fourteen, showing an almost equal division among the urban counties, while of the forty-one remaining counties twenty-six had the higher assessments on acre property. The commission itself analyzed the table far enough to notice that several counties containing large cities were exceptions to the general rule; but it attempted to explain this fact by the classification of property for taxation into "built up" or city, "rural" and "agricultural," the first being assessed for taxation at full value, the second at two-thirds and the last at one-half.

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In point of law and of fact the discrimination here referred to between built up, suburban or rural, and agricultural property is a difference in the *rate* of taxation for local purposes in the cities of Philadelphia, Pittsburg and Allegheny, and should have no effect whatever upon the assessments. If there is a discrimination in favor of suburban and rural property in the assessments also, as the figures seem to indicate, it is entirely without authority of law.

At about the same time that this inquiry was being conducted by a commission of the Tax Conference, the Pennsylvania department of internal affairs undertook an independent investigation, similar in method and purpose, but covering only twenty-one counties, and hence of much less value than the unofficial study. Representatives of the department were sent to these counties to examine the records of sales and assessments. About one hundred sales were taken in each county, the exact numbers ranging from ninety-seven to one hundred and ten. None of the counties visited contained large cities, the largest being Williamsport, with a population of 27,132 in 1890, while others were agricultural counties having no important towns. The property for which figures were obtained was classified into farm lands, city and town lots, and "unseated lands"; but the number of sales of the last-named class was too small to warrant any general conclusion, even if it were desirable for our purpose. In a majority of cases the results differ from the comparisons made between acres and lots in the same counties by the voluntary organization, but the differences are in both directions, so that the final result is substantially similar — that is to say, the farms show higher assessments than town property in fourteen of the twenty-one counties. In this case, the general averages also show the towns to have the advantage, the ratio of assessments to selling value being 47.1 per cent for lots and 52.8 per cent for farms. The analysis published with the tables put less emphasis upon general comparisons than upon striking discrepancies between individual assessments. The latter were found to vary from three and one-third to 200 per cent of the

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selling values, often having nearly as wide a range within a single county.[1]

The New York state assessors, in their reports for 1893–95, published the data collected by them during those years, consisting of comparisons between assessments and appraised values of selected property, and in many cases between assessments and actual selling values, in all but five counties of the state. The percentages were not worked out — or, at any rate, were not published — and the columns were not even added; but a calculation based upon the printed figures shows that the farms were assessed on an average at 82 per cent of their value, while the percentage for city and village real estate was only 63. Taking the rural counties alone, the percentages are 84.5 for farms and 79.2 for village property; indicating that both kinds of real estate, but especially the latter, were assessed higher in the country districts than in the urban counties. Altogether thirty-four counties show higher assessments on farms than elsewhere, and eighteen show higher averages for city and village property than for farms. The percentage obtained for New York County, based wholly upon sales, is 68.7; that for Kings County, based partly on sales and partly on estimates, is 79.2; both showing a ratio higher than the average for urban property, but lower than the average for farms. Queens County shows a percentage of only 4.7 for urban property, owing to the assessment of the Stewart property at Garden City at less than three per cent of its appraised value. A calculation based upon sales alone, in all the counties from which sales are reported, shows that the ratio of assessments to selling values is slightly higher in the cities and villages than on farms; but this result is easily traceable to the influence of New York and Kings counties, for more than two-thirds of the counties show the higher assessments on farms.

Three grades of farms are distinguished in the list of appraisals published, though not as a rule where sale values are given. By separating the comparisons for the three grades, it is found that the ratio of assessment to true value diminishes as the

[1] Annual Report of the Secretary of Internal Affairs of the Commonwealth of Pennsylvania, 1893, Part I, pp. A. 327–A. 425.

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property increases in value — in other words, that the tax is regressive, at least as far as farming lands are concerned. Thus, not only are farms assessed higher than city and village property, but in general the highest assessments, relatively speaking, are on the poorest farms. And that the advantage of the cities is not confined to real estate assessments is indicated by the statement of the state board of tax commissioners, in reference to the increase of the personal property assessments in 1897, to the effect that

> the enforcement of the law resulting in such increase has, in many instances, caused added injustice to rural communities, where the burden of taxation has hitherto fallen most heavily.[1]

Almost the only other permanent fiscal board which has published any useful comparisons of this kind is the New Jersey state board of taxation, which in its first and second annual reports declared that agricultural lands were assessed higher or at more nearly their true value than any other class of property in the state, and gave several instances of assessments in excess of selling prices.[2] Again, in its report for 1897, after referring to the low assessments in many taxing districts, the board goes on to say that

> much of the agricultural land in the state has depreciated in value, so that the values and assessments are coincident. It is [a] fact, shown by the evidence produced before this board at the hearing of appeals, that the agricultural lands of New Jersey are assessed at substantially [their] true value. . . . The constitution of our state commands that "property shall be assessed for taxes under general laws and by uniform rules according to its true value." It would be untrue to say that this is done in any single taxing district of this state, with this exception perhaps, that farming properties in the counties of Warren, Sussex, Hunterdon, Burlington, Somerset and Salem generally are assessed at a valuation equal to what these properties would to-day bring in the open markets.[3]

[1] Report, 1897, p. 6.

[2] First Annual Report of the State Board of Taxation of the State of New Jersey, 1891, p. 62; Second Annual Report, 1892, pp. 40, 41.

[3] Seventh Annual Report, 1897, pp. 26, 27, 39, 40.

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With reference to personal property, a member of the recent New Jersey tax commission, in a supplementary report, says that the assessors "appear to make no earnest or honest effort to reach it anywhere, except in the agricultural districts, and even there very imperfectly."[1] And the commission as a whole, after complaining that the assessors disregard the rule requiring assessments at full value and that they do not list all the intangible personality lawfully subject to taxation, adds that "this is noticeably so in the cities, more so than in the country districts."[2]

Assessments in the District of Columbia were investigated in 1892 by a special committee of the national House of Representatives. Witnesses were examined as to the value of thirty-nine squares and six parts of squares in the national capital, including both business and residence property, with the result that the assessments were found to average 47 per cent of the sworn values given by the witnesses. A classification of the property in question showed that that occupied wholly or chiefly by small homes was assessed much higher than business property in the centre of the city, averaging about 69 per cent. The nearest approach to a comparison between city and country by this committee was afforded by rough estimates for that part of the district outside of the city of Washington, consisting for the most part of suburban rather than agricultural property, which appeared to be assessed at less than one-tenth of the real value.[3] This committee also cited the constant falling off in the personal property assessments of the District as an example of the impossibility of enforcing a tax on personalty;[4] but nothing has come of its proposal that the attempt be discontinued.

Governor Foraker, of Ohio, in his message of 1887, called attention to a decline in the value of farms, and said that they were then assessed more nearly at their full money value than

[1] Report of the Commission Appointed by Governor Griggs to Investigate the Subject of Taxation in the State of New Jersey, 1897, p. 74.

[2] *Ibid.*, p. 11.

[3] Assessment of Taxes in the District of Columbia (52d Congress, 1st session, report No. 1469), pp. 17–19, 21.

[4] *Ibid.*, p. 5.

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any other class of property in the state.[1] This discrepancy, however, seems to have been due largely to the Ohio system of decennial assessments, which always results in advantage to property which is increasing in value, at the expense of that which is depreciating; and to that extent the assessments may perhaps have been equalized for the time being by the new assessment and equalization in 1890, which reduced the average valuation of country real estate nearly five dollars an acre.

The statistical reports of the secretary of state of Ohio give the amount of acre property sold each year, and the aggregate selling value, by counties. This makes possible a comparison of assessments with selling values of such property in various parts of the state, though not a comparison between acres and city lots. The average assessed valuation of acre property in 1897 was a little less than three-fourths of the average selling value of that which changed hands during the second half of 1896 and the first half of 1897. This average ratio is lower than that between assessments and selling values of acre property in Hamilton and Franklin counties, in which Cincinnati and Columbus are situated, but very much higher than the corresponding ratio for acre property in the neighborhood of Cleveland. Thus, it seems that no generalizations are possible with respect to the present situation in Ohio, so far as real estate is concerned. With regard to personal property, we have not only the testimony of Professor Ely,[2] who, while serving on the Maryland tax commission, visited Ohio and found that the percentage of personalty taxed in the large cities was much less than in smaller places, but also the investigations of the Ohio tax commission of 1893,[3] which showed that a greater *per capita* amount of intangible property even was returned from agricultural districts than from the city counties, and that the now famous "tax-inquisitor" system was twice as heavy a burden in the country as in the principal urban counties. A similar showing was afterwards made by a committee of the Cleveland Chamber

[1] Ohio Executive Documents, Annual Reports for 1886, Part I, p. 747.
[2] Taxation in American States and Cities, p. 158.
[3] Report of the Tax Commission of Ohio, 1893, pp. 22–35.

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of Commerce,[1] and again by Mr. E. A. Angell, a member of both committees.[2]

The recent Massachusetts tax commission found the taxes on land in many farming districts "excessively and unfairly heavy as compared with the taxes on real property in other parts of the Commonwealth." In a supplementary report, one member cites fourteen abandoned farms in one of the hill towns of western Massachusetts, all of which were sold within a few months at less than their assessed valuations. The average assessment of this property was $6.01 an acre, and the average price only $2.56 an acre. The commission also found that the forms of personal property most regularly and unfailingly taxed are live stock in farming towns, and ships and vessels.[3]

The assessment law of Wisconsin requires the register of deeds of each county to transmit annually to the secretary of state, and to the county clerk, a statement of all the sales of real estate recorded in the county during the year, except those made for nominal considerations and those in which the description does not substantially correspond with the description given on the assessment roll; and this statement is required to show the consideration and the assessment in each case. It is made the duty of each county clerk to have an abstract of the statement for his county printed and laid before the county board at its annual session, and the secretary of state is required to compile the results for the use of the state board of assessment. In many counties the law is habitually disregarded, but it is possible to obtain these statements or abstracts from about half the counties in the state. A compilation of these materials for the year 1896–97 shows that on an average city and village lots are assessed higher than acre property — at 47 per cent of the selling value as against 41.4 per cent. The higher assessments are in the cities and villages in twenty out of thirty-four counties. This is a very different

[1] Taxation, Report of Special Committee, 1895, pp. 7, 8.

[2] "The Tax Inquisitor System in Ohio," *Yale Review*, V, 350 (February, 1897).

[3] Report of the Commission appointed to Inquire into the Expediency of Revising and Amending the Laws of the Commonwealth Relating to Taxation, 1897, pp. 30, 51, 126, 127.

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showing from that made by the other states thus far considered; but, on the other hand, Professor Ely found that in Wisconsin, as elsewhere, personal property escaped taxation more in the large cities than in the country.[1] It seems, therefore, that here the inequalities of the taxes on real estate and on personal property tend to counterbalance each other.

The California board of equalization, in its report for 1885 and 1886, stated that in San Francisco mortgages were given for $6,575,998 on property assessed at only $5,161,630, and that property which was sold for $8,150,475 in the aggregate was assessed for only $4,503,054; but no corresponding data were given for the remainder of the state. Six years later, when the equalization was criticised, the board explained that sales, mortgages and appraisals of estates had been used as aids to personal observation, but made public none of its data.[2] Professor Plehn's monograph on *The General Property Tax in California* is almost as unsatisfactory for our purpose. The author shows that the *per capita* assessment of real estate in 1892 was $644 in the cities and towns, and $963 in the country. He then admits that the average California farmer has probably about three hundred dollars' worth more real estate than the average townsman, in view of the greater number of the propertyless in cities, but doubts whether he is that much better able to pay taxes. He also attempts a comparison between the assessments of rural and urban real estate in 1890 and 1891, and the values of farms and other real estate according to the census; and he comes to the conclusion that farms were assessed at from 62 to 66 per cent of their value, and city real estate at only 54 or 55 per cent of its value. But in this comparison, even assuming for a moment the correctness of the census figures, there is an important error for which no correction is made: the assessed valuation of all the acre property in the state is compared with the census figure for farms alone, and the assessed valuation of town and city lots alone is compared with the difference

[1] *Op. cit.*, p. 172.

[2] Report of the State Board of Equalization for 1885 and 1886, p. 4; Report for 1891 and 1892, p. 5.

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between the census estimate for all real estate taxed and the value of farms — that is to say, no allowance is made for property which consists neither of farms nor of town lots. The result is that, in working the percentages, the dividend is too large for the divisor used in the first case and too small in the second. There are also some minor errors in the calculation. This careless use of figures may easily account for the difference in the percentages obtained, and so as regards California real estate we are no wiser than before. But Professor Plehn tells us that the difference in the tax on real estate

> shrinks into ridiculous insignificance when compared with the injustice which arises from the evasion of taxation by personal property owners. This again adds peculiarly to the burden upon the farmer, the bulk of whose personal property consists of visible tangible implements, stock, and household goods, nearly all of which are assessed at above 50 per cent of their true value.

It appears that one-fourth of all the personalty assessed in the state consists of farming stock and utensils; and Professor Plehn estimates that, at the average rate of taxation for state purposes, the average farmer pays about seventeen cents more on each one hundred dollars' worth of property owned than does the average townsman.[1]

MAX WEST.

WASHINGTON, D. C.

[1] Economic Studies, II, 163–169.

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REVIEWS.

The Federal Census: Critical Essays by Members of the American Economic Association. Collected and edited by a special committee. Publications of the American Economic Association: New Series, No. 2. Published for the American Economic Association by The Macmillan Company, New York; London, Swan, Sonnenschein & Co., 1899. — 516 pp.

The American Economic Association, at its Cleveland meeting in December, 1897, appointed a committee to inquire into the scope and method of the eleventh census, with a view to determining what ought to be attempted in the twelfth census. The method of operation of the committee is explained in the following quotation from a circular letter sent out last spring:

> The committee proposes to make a study of the methods and results of the last census for the purpose of suggesting what may reasonably be expected from the next. The effort will be constructive rather than destructive, its chief object being to form an intelligent public opinion upon this important scientific undertaking — the most important of the kind in the world. The committee has secured the coöperation of a number of members of the association interested in particular portions of the subject. An analysis will be made of the more important topics of census inquiry, under the following heads:
>
> (*a*) Methods and results of the last census.
> (*b*) Scope and method of the twelfth census.
> (*c*) Experience of other countries, references and bibliography.
>
> These studies will be edited by the committee, reported upon at the next meeting of the association, discussed and (if the association approve) the whole printed as a monograph. It is believed that such a work will furnish a basis for scientific judgment, will concentrate intelligent opinion upon the census and be a contribution of permanent value to the science of statistics.

As a result of its labors, the committee has collected and published a series of twenty essays. Each essay is devoted to a particular subject, and, as a rule, not only criticises the statistics of the eleventh census, but also gives an account of previous experiences and sug-

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gestions for the twelfth census. The following list will show the scope and authorship of these essays:

Under the head of "Population," Professor Walter F. Willcox treats of area, population, birthplace, migration and conjugal condition; Professor W. Z. Ripley, of the colored population of African descent; Professor Franz Boas, of the North American Indians; Mr. George K. Holmes, of age, sex, dwellings and families, and urban population; Professor D. R. Dewey, of illiteracy and educational statistics; and Professor Mayo-Smith, of occupations. Under vital and social statistics, Dr. C. L. Wilbur and Professor Irving Fisher deal with mortality statistics; Professor R. P. Falkner, with statistics of crime; and Professor S. M. Lindsay, with those of pauperism and benevolence. On the economic side, Mr. N. I. Stone criticises the statistics of agriculture; Professor David Kinley, statistics of farms; Professor E. R. Johnson and Dr. W. E. Weyl, the statistics of transportation. Manufactures are treated by Mr. S. N. D. North, Mr. W. M. Steuart and Mr. W. C. Ford; and wage statistics, by Professor C. J. Bullock. The statistics of wealth, debt and taxation are considered by Professor C. C. Plehn and Professor H. B. Gardner. Finally, Mr. Wm. C. Hunt considers the scope and method of the twelfth census. A number of miscellaneous suggestions are made by various correspondents of the committee, and an appendix contains the provisions of the census laws of 1889 and 1899.

It is, of course, impossible to give a detailed account of all these papers; and it would, perhaps, be invidious for me, as a member of the editing committee, to choose among them. Many of them are exhaustive essays upon the specific subjects treated and have a permanent value extending far beyond the occasion which brought them forth. Nor is it necessary to agree with all the criticisms of the census itself or to adopt as feasible the plans proposed for the future. But out of this mass of clear criticism and pertinent suggestion there looms up an outline of some scientific notion of the possibilities and impossibilities of census work in the United States — what can be done, what ought to be done and what ought not to be attempted. Some of these salient points I propose to mention under the heads of population, vital and social statistics, agriculture and manufactures, and finance.

Under the weight of the great mass of volumes poured forth by recent censuses, it has, perhaps, been forgotten that the most important object of inquiry is, after all, the population. Demology is still the centre, and must always remain the centre, of statistical science.

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No special inquiries, however interesting, can replace an exact description of the people according to their most important characteristics. No population in the world, moreover, is so interesting as that of the United States, on account of the various elements, ethnic and social, of which it is composed, and the varying conditions under which it lives. And although it is active and migratory to an extraordinary degree, it is so intelligent and free from prejudice that it is comparatively easy to get information about it.

The great lesson in regard to population statistics to be drawn from these essays is that the greatest care should be exercised in the enumeration and the greatest skill in the analysis of the facts obtained. The schedule of inquiries should be simplified as much as possible, so as to be intelligible to all persons and so that the work of the enumerator can be easily tested and controlled. The simple categories of sex, age, conjugal condition, race, birthplace, parentage, occupation and illiteracy, if filled out with accuracy, would, by combination, give us a wealth of sociological information unrivalled by the census of any other country. The essays under review point out what inquiries are useless and what method of analysis is best.

The vital and social statistics of the United States receive very severe criticism in these essays — and justly. The machinery at the command of the census office for getting complete statistics of births, marriages, deaths, crime, pauperism and benevolence is utterly inadequate to give us satisfactory results. Attempts in the direction of completeness are futile and the results misleading. The only recourse is to confine ourselves to more limited areas in the case of vital statistics, and to institutions in the case of social statistics. What we need is not quantity but quality: in other words, we must adopt the principle of representative statistics.

In the case of agriculture it would seem that the census might do and ought to do more than it has heretofore done. Agriculture is still the leading occupation of the people of the United States, and it does not seem impossible to follow out, statistically, its development from decade to decade. In manufactures, on the other hand, it would seem that the census office has attempted to penetrate too far into the mysteries of business. It does not seem possible to frame inquiries in regard to capital which business men will interpret in the same way, if they are willing to answer them, or which they can be compelled to answer truthfully, in case they are unwilling. Industries differ so widely from each other that any general analysis and statistical measurement of such concepts as cost of production,

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profit, relative reward of labor and capital, efficiency of labor and capital, and even average wages, seem impossible. We must, therefore, content ourselves with figures showing the general industrial life and development of the community.

The statistics of wealth, debt and taxation do not seem to be in quite so hopeless a condition as those of manufactures. The first of these presents a very difficult problem, whose perfect solution is probably still a long way off. But, in regard to all three subjects, a federal office, through its power of collecting information, is probably the only instrumentality in this country which can successfully undertake the work. The essays point out how this can best be done.

It is not too much to say, in conclusion, that, whatever the merits of the particular essays, we have here the most systematic and elaborate attempt to treat the United States census from a purely scientific point of view that has ever been made. There is no denunciation of the way in which the eleventh census was carried out; but each subject is treated specifically, what was done is carefully criticised, and what might have been done is carefully explained.

The book should, therefore, serve a double purpose: first, as a general guide, for persons using the census of the United States, as to the validity of its methods and the trustworthiness of its results; second, as a guide to the officials of the new census, portraying in precise terms the deficiencies of the eleventh census and the possibilities of the next. In addition, it is destined to be of permanent value as a commentary on federal census methods and as a contribution to the science of statistics.

RICHMOND MAYO-SMITH.

Railway Economics. By H. T. NEWCOMB, LL.M. Philadelphia, Railway World Publishing Co., 1898. — 152 pp.

Students of the railway problem have watched with gratification the change that has been taking place in the character of the industry in recent years — a change which has been more evident and rapid since the panic of 1893. The great aggregations of railway capital are being put upon sound and paying bases and are inaugurating a policy of conservative management that promises much for the future of the properties. Wasteful construction of new lines has practically ceased, and sections are now growing up to the facilities created during the period of over-construction. Responsible officials and stockholders of the organizations are taking a more personal part in management than ever before, and are showing a

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desire to remove as far as possible the evils that had almost come to be regarded as a necessary adjunct to the conduct of transportation. These efforts are being recognized and appreciated, and the identity of interest of shipper and carrier are being every day more fully realized. Those who still persist in denouncing railways, in terms of the Granger agitation, lay themselves open to the charge of being either ignorantly or willfully blind to industrial progress.

The little book of Mr. Newcomb is very welcome, because it puts before us in concise form the industry as it exists to-day, shorn of many of those earlier evils which are in the minds of many still associated with it. The chapters, appearing originally in the form of articles in the *Railway World*, have only such general connection as the title, *Railway Economics*, would imply. A good portion of the treatise is concerned with the discussion of rates and the causes of their decline. This gives us, in condensed form, the results of the author's extended investigations in his capacity as chief of the section of freight rates in the Department of Agriculture, and is quite the most interesting part of the book. The fall in charges during the last three decades has been extensive and continuous, and greater than the fall in prices of the most important articles of traffic. It has been accompanied, moreover, by an actual advance in the rate of wages. The effective cause of this reduction, however, has not been the competition between carriers for the traffic of particular places. This has not only not lowered average rates, but has tended to check their fall; for it promotes unjust discrimination against places not favored by competing lines, and encourages the multiplication of soliciting agencies and the employment of long, circuitous and illegitimate routes of traffic. The real cause of the decline has been the competition between producers and markets for the privilege of buying or selling in a particular locality.

> The commercial rivalry of New York, Boston, Philadelphia and Baltimore, each seeking to add to the volume of its export trade, has been much more effective in inducing the present low rates for moving grain to those ports than the more or less continued competition among the railways serving them.

These demands for lower rates could, of course, have been met only with loss to the railways, had the latter not been able to reduce expenses by the various physical and administrative economies introduced from time to time. Bessemer steel, for example, has caused a veritable revolution in railroading and has increased enor-

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mously the utility of the train as a machine. Railway associations, joint classifications, through billing and the like, have also contributed their share to the reduction in expense. The author, be it noted, omits to mention the saving effected through reorganization and refunding operations, which have reduced to a not inconsiderable extent the burden of fixed charges.

Other phases of the question treated in the book are capitalization, income and expenditure, construction, consolidation, and socially profitable and unprofitable transportation. Five chapters are devoted to the consideration of unjust discrimination in its various forms, including an interesting statistical illustration of the long and short haul evils. The chapter on taxation brings out the fact that this burden has steadily increased, without regard to business depression, and with little attempt at a definite relation between the extent of the tax and the ability to pay. The author argues that the effect of the levy of a tax may be detrimental to the community imposing it. For, so far as the tax increases the cost of transportation, it must limit the area within which commodities can be profitably marketed; and, in consequence, any community which taxes the transportation agencies by which it is served more heavily than those of competing regions are taxed, places itself at a disadvantage in common markets. The writer's presentation of the case argues strongly for a federal tax upon interstate commerce.

For the eradication of existing evils, the author proposes the plan advocated so generally by railway officials and students of the problem, as well as by the Interstate Commerce Commission — that of pooling under a contract enforceable at law. His plea has been made still more effective by the decision of the Supreme Court in the Joint Traffic Case, promulgated since his book appeared. Bills embodying the pooling principle are before Congress, but have thus far failed of serious consideration, because of the more pressing demand of territorial questions. Moreover, there is a large number of Congressmen who look with concern upon any move in the direction of capitalistic combination; and, when one reads arguments of our highest tribunal on the effectiveness of competition to control the transportation industry, one can hardly with reason expect to find cordial support for an opposing plan in our legislative halls. But the railway industry constitutes such an important element in our economic organization and touches so intimately the lives of all our people, that, whether the evils are removed or not, its operation will continue to be a never-failing source of interest to the student.

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We therefore feel under obligation to Mr. Newcomb for contributing to the somewhat scanty and unsatisfactory literature of American railways a handbook of permanent value.

FRANK H. DIXON.

DARTMOUTH COLLEGE.

Economics. By EDWARD THORN DEVINE, Ph.D. New York, The Macmillan Company, 1898. — 440 pp.

The value of this work is out of proportion to its size. It is, in the first place, one of those rare products, interesting school text-books. It is, moreover, adapted as well to the needs of the general reader as to those of the student. Its particular merit is its modernness. Dr. Devine acknowledges the large influence that the work of Professor Patten has had upon the book itself; and readers of the book will find in it a large amount of the stimulating and eminently original thought that is the content of Professor Patten's several works. Until recently it has been thought that the student should enter the field of economics by the classical gateway, even though he were afterwards to adopt modern views. He should study John Stuart Mill and the text-books that reflect the thought of Mill. He should first be a classical economist, and afterwards something else. He should, as it were, get into a deep rut, follow it for some distance, and then climb out. If this were the method to be pursued, Dr. Devine's book would help to pull the student out of the rut. This, however, is not the true method to be pursued. The time is past when in political economy it was best to teach classical error and then to follow it up with modern truth. Dr. Devine's book is distinctly one of the best that may be used for the purpose of giving the student, at the outset, the modern point of view. The learner will do far better if he takes such a system as is here presented first, and a classical one afterwards, than if he reverses this order. By Dr. Devine's plan he may study successively the economic man, his environment, the conditions of economic society, the production of goods, and then the consumption of goods. It is in the author's consideration of consumption that the largest influence of Professor Patten shows itself; for he includes here a study of social prosperity, of the influences that produce it, of the obstacles that hinder it and of the diffusion of the gains that come by means of it.

The book has one striking omission, in that it does not contain any very extended study of wages or of interest. It may be wise, and it is certainly possible, so long as the laws of wages and of interest are

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not settled, to leave the presentation of these subjects to the teacher; but it is not feasible to pass over them entirely, even in an elementary course of study designed to meet only the first needs of the public.

JOHN B. CLARK.

Money and Bimetallism: A Study of the Uses and Operation of Money and Credit, with a Critical Analysis of Bimetallism and a Study of Symmetallism. By HENRY A. MILLER. New York, G. P. Putnam's Sons, 1898. — viii, 308 pp.

This is an attractive book, with a promising title; and, though it obviously tries to compress a great deal into very moderate space, a compact statement of judicial and sober conclusions on its subject would be a welcome addition to the literature of economics. Unfortunately, the book does not meet the expectations raised by the title: it is virtually a polemic, and an amateur's polemic at that. In so styling it, the present reviewer would not imply that the writings of the professional teachers of economics are alone in the non-amateurish class, or that an acquaintance with the whole range of economic literature is needful for enduring value in such an attempt. Mr. Miller himself admits that he is scantily equipped for his task when he quotes at secondhand, not only such possibly recondite sources as Tooke's *History of Prices* and Professor Marshall's suggestions on symmetallism, but familiar matter like Wells's *Recent Economic Changes*. He has read parts of Ricardo's writings and quotes from them; yet he has not so familiarized himself with Ricardo's mode of thinking and of exposition as to be able to criticise him effectively. There are quotations also from the *Wealth of Nations*, and it is thought worth while to remark in a footnote that "Mr. Smith wrote this work about 1776." But the authors most quoted are the two best known champions of bimetallism in this country, Mr. E. Benjamin Andrews and the late Francis A. Walker. Virtually, the book is an attack on the reasoning contained in the writings of these gentlemen and their fellows. And in this attack one is reminded of the German proverb about "*das Kind mit dem Bade ausschütten.*" The value of money is said to rest solely on its use as a commodity. The quantity theory of money is rejected once for all. Paper money is, "strictly speaking, not money," and rests on "the expectation or belief that it will at some time or another be paid or redeemed." The monetary demand has no effect on the value of specie, and the mint creates no demand. Gold "is a universal

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purchasing power," established by the common consent of the commercial world, and not by virtue of any legislative authority; while "silver and other moneys have not a universal purchasing power, because these moneys do not pass current at their mint ratio outside of the country where they are issued." Consistently with all this, the decline in the price of silver is ascribed solely to the increase in its production, and the adoption of international bimetallism is expected to have no effect on the value of money or the level of prices.

Views like Mr. Miller's are easily explicable as a reaction against the wild talk of paper-money advocates and the exaggerations of extreme bimetallist propaganda. They contain their share of truth, too, and on some subjects — as on the practical difficulties of applying the tabular standard — Mr. Miller's criticisms are independent and shrewd. But in the main his reasoning on matters of principle is only half sound. The task of those who go with him in concluding that it is best to hold fast to the gold standard would be much simplified if the complexities of the monetary situation could be disposed of so sweepingly and unreservedly. But the truth is not simple and sweeping; and reasoning like his, tempting though it be as a ready means of disposing of the opponents' arguments, contributes little toward real insight into monetary phenomena. As a polemic, the book may be useful. As a polemic, too, it is cool in temper, tries to state fairly and fully the controverted views and bears the marks of an intelligent public spirit — qualities which must win good will and respect for the author. But its reasoning is partial, if not overtly partisan, and its message is not a new one.

HARVARD UNIVERSITY. F. W. TAUSSIG.

Saggi di economia e finanza. Di A. DE VITI DE MARCO. Roma, editi dal *Giornale degli Economisti*, 1898. — 184 pp.

This book consists of three essays — "The Economic Theory of Antonio Serra," "A Contribution to the Theory of Public Loans," and "Patrimonial and Domanial Income," — each of which shows careful and close thinking.

The first is a critical but appreciative study of Serra's views on exchange and money. Conceding that Serra was the greatest economist of the seventeenth century, our author maintains that his greatness was in his critical power and in his grasp of elementary truths in the concrete (p. 53), but that he failed to discover general

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principles or a scientific theory of either exchange or money. His theory of exchange was based upon the concrete facts of differences in soil, climate, *etc.*; but he failed to comprehend the ultimate cause, because he was not acquainted with the theory of comparative costs and did not understand the true utility of foreign trade (p. 54). For the same reasons Serra could not explain the ultimate cause of the international movement of money; and, since he did not see that a change in the quantity or value of goods has the same effect as a change in the quantity or value of money, he failed to get the true import of the "quantitative theory." He well understood the important concrete facts respecting money, being aware that bad money drives out good money and that legislation does not give value to money. But, on the other hand, he did not see that the "quantity of fine metal" (p. 44) is not the only consideration. In short, he failed to grasp the relativity of the quantitative theory.

Of the two essays in finance the former has far the greatest interest. The carefully drawn distinction between patrimonial and domanial incomes has little interest in this country, since domanial incomes — those of a "private-economic" nature — have little importance in American finance. The able discussion on public loans has, however, a more general theoretic interest. The author's problem is this: Does a present extraordinary tax bear more heavily upon future generations than a loan with perpetual interest? By clear argument and lucid illustration he easily shows that in the abstract there is no difference, since an extraordinary tax must of necessity be resolved into private loans. Nevertheless, he concludes that the public loan is preferable, for two reasons: The interest burden is less than it would be on private loans; and the bonds furnish an excellent intermediary between private borrowers and lenders for effecting the highest utility of investments (p. 103). The loan, he says, should never be resorted to, unless the tax is so great as to necessitate private borrowing by those who have not disposable or free capital. Then, however, a loan is simply the means of effecting the most equitable distribution of the public expenses under given conditions. At bottom the author's theory rests upon the theory of subjective values, which in the abstract is correct enough; but it is apparently of little practical importance in deciding between the utility of loans and taxes, *except* on the condition that the taxpayers have full power of determination.

S. F. WESTON.

WESTERN RESERVE UNIVERSITY.

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Fields, Factories and Workshops. By P. KRAPOTKIN. Boston, Houghton, Mifflin & Co., 1899. — 315 pp.

Prince Krapotkin has hitherto been known to economists primarily through his militant activity in behalf of international anarchism. His essays in English reviews during the past two decades have, however, disclosed an intimate acquaintance with some of the sociological problems of early society. To geologists and geographers, also, his name has long been familiar because of his admirable work on the glacial epoch and on Siberian geography. Finally, he has laid the wider literary public under obligation by the series of masterly autobiographical sketches which are now appearing in one of the American monthlies. The present work, however, is the first in which he addresses himself specifically to students of economics.

In this book there are three fundamental ideas. The first is what the author calls the "decentralization of industries." He points out that the era of monopoly by any one country has gone by, never to return. It is immaterial whether the monopoly consists of exclusive technical knowledge, of industrial skill or of commercial supremacy. Science has become international: the improvements effected in one country are soon transplanted to another. About the only advantages that are left are climatic; and even these can be largely overcome by human action. The consequence is that, within a measurable future, every country will traverse the agricultural stage and reach the industrial stage. Just as England is losing its commercial supremacy, owing to the competition of Germany and the United States, so also Russia and other European countries are making rapid advances; and even Japan and India, the former markets for the surplus industrial products of England, have just started on their rapid march. Before long China will wake up, Africa will develop independently, and the South American states will go through the same evolution as the United States. The result will be that every country will become its own producer of manufactured goods, and will have to rely largely upon its own home consumers.

The next series of chapters is devoted to a consideration of the possibilities of agriculture. Here we have a mass of facts and figures to show the development of intensive culture. The author is well informed as to the recent applications of science to agronomy, and points out how most countries have only begun to scratch the surface. The real problem is not so much chemical as biological; and in an interesting series of examples Prince Krapotkin shows how the most

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fertile soil can actually be created on a bed of rock or asphalt. His illustrations, some of which have already seen the light in magazine articles, are drawn largely from the achievements of market gardening in France and Belgium, although he has a good knowledge of recent experiments in other parts of the world, including America. He points out the results of the experiments made with "pedigree cereals," showing that one grain of wheat has, in certain cases, yielded crops of from 500 to 2500 grains; and that, in another case, a single grain of barley has produced a stock with 110 stems, giving from 5000 to 6000 single grains. He also calls attention to the recent application of the idea of sowing beneficent microbes which rapidly develop in the soil and fertilize it. So easy has it become for a farmer to create and increase his own soil that it is now a usual stipulation in certain renting contracts that the gardener may carry his soil along with him when he quits his tenancy. It may be incidentally remarked that this new conception of "portable soil" may bring about some alteration in our legal ideas. The conclusion drawn by the author from all these marvellous experiments is that the dangers of the over-population theory are even more remote than have usually been confessed. It is precisely in the most densely populated parts of the world that agriculture has recently made the most prodigious strides: indeed, the high development of industry and agriculture not only go hand in hand, but are really inseparable.

The third and final series of chapters deals with the subject of small industries or petty trades. It has become a firmly rooted conviction with many economists that all such trades are a survival of the old domestic system of industry which is fast being supplanted by the factory system. Prince Krapotkin, while not denying that this is true in many cases and that whole branches of industry can really be made productive only through the application of the factory system, points out that there is another side of the question. He looks forward to the possibility of carrying on industrial works in the villages themselves, largely in connection with agriculture, and partly as a by-product of the farmers. He does not deny that the machine has everywhere superseded hand work; but he thinks that the hydraulic, and especially the electrical, distribution of power largely nullifies the arguments of those who maintain that the industry of the future must be factory industry in the large towns. His ideal, therefore, is the coming together of the field and the workshop, each contributing to the welfare of the other, and both together rendering possible a prodigious increase in human welfare. In the last chapter, dealing

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with "Brain Work and Manual Work," the present divorce between science and handcraft is discussed, and the advantages which science can derive from a combination of the two are eloquently set forth.

Prince Krapotkin's work is undeniably interesting. Its strength consists in a clear and readable presentation of facts, a suggestive peering into the future and an all-pervasive humane spirit. Of the three points which he emphasizes, one is comparatively new — namely, the future dependence of each country upon its own home consumers. This sounds like the old doctrine of Carey and his predecessors; but it is in reality very different. The chief defect in the argument, however, is the failure to point out the future of international trade. If every nation is to create everything that it consumes, raw materials as well as manufactured products, international commerce will come to an end, and with it the very dissemination of international knowledge which forms the basis of his entire argument. The second point, as to the possibilities of agriculture, will doubtless be fresh and suggestive to many readers, although the work of our own American statistician, Mr. J. R. Dodge, hints at very much the same results. The third point — the future of the petty trades — has already been discussed incidentally by Marshall and other economists. But in both these portions of the work the setting of the argument is entirely new, and the results are remarkably suggestive.

As a consequence, the work would undoubtedly be hailed by economists as a decided contribution to the subject, were it not for the fact that the author cannot refrain from importing into the exposition his familiar anarchistic ideas. These take the shape of continual allusions to the absurdity of our modern industrial methods and to the principle of associative communism as the only solution of the problem, from both the agricultural and the industrial point of view. It must be admitted, however, that these passages can be eliminated without impairing the value of the remainder; and in its purely economic portions the book deserves serious consideration.

EDWIN R. A. SELIGMAN.

The Truth about Agricultural Depression: An Economic Study of the Evidence of the Royal Commission. By FRANCIS ALLSTON CHANNING, M. P. London, New York and Bombay, Longmans, Green & Co., 1898. — xvi, 388 pp.

A feature of the final report of the royal commission on agricultural depression in Great Britain, made public in the summer of 1897, was the voluminous dissenting report of a single member of the

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commission, Mr. F. A. Channing. It occupied one hundred and forty-five out of the three hundred and seventy pages of the blue-book, and was virtually an independent examination, from the tenant farmer's point of view, of the evidence submitted. Desirous of reaching a wider circle or of reiterating the message, Mr. Channing has here reprinted his report. A preface displaces the original introductory chapter, which is in turn relegated to an appendix. A summary of farm accounts and the text of the proposed revision of the Agricultural Holdings Bill are also added to the volume, which is issued with an independent title and with so incidental a reference to its original appearance as to mislead the American reader.

Mr. Channing asserts the futility of discussing any general correctives of agricultural depression: "Protection is dead; bimetallism, an academic theory." The more fruitful task is to consider what is within reach, and to recommend palliatives, not panaceas. Dissent is had from the report of the commission, not only because of its defects in method and in presentation, but because the situation "has there been considered almost exclusively from the standpoint of the landlord, and has not been threshed out solely from the economic point of view."

The decline of agriculture within the past twenty-five years has resulted, in the main, from the fall in prices of agricultural produce, due to the opening of new countries and the improvements in transportation. But a further cause, Mr. Channing adds, has been the excessive rent paid by agricultural tenants, from the failure of landlords to reduce rents to the point at which the economic loss from the fall in price would be fairly shared between landlord and tenant. Excessive and preferential railway rates and charges, the fraudulent sale of adulterated food products and the unfair incidence of local and imperial taxation have been contributory influences.

The practicable remedies suggested are: (1) amendment of the Agricultural Holdings Act, so as to extend the principle of agricultural arbitration to rent and to give real security to tenants' capital invested in the soil and to the tenure of their holdings; (2) amendment of the Railway and Canal Traffic Acts, so as to permit easy and prompt adjudication as to the reasonableness of any rate or condition of transportation; (3) revision of existing regulations as to the adulteration of food products; (4) encouragement of co-operative credit banks for agricultural districts and the development of small holdings; (5) equitable division of all local rates between the owner and the occupier.

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Mr. Channing's review received less attention at the time of its publication than its contents merited. As an earnest, laborious study of the English agricultural question in its most recent phases, this report, despite its prosy length and its manifest bias, is entitled to the independent publication which it has here received.

JOHNS HOPKINS UNIVERSITY. J. H. HOLLANDER.

An Essay on Western Civilization in its Economic Aspects: Ancient Times. By W. CUNNINGHAM, D.D. Cambridge, University Press, 1898. — vii, 220 pp.

Dr. Cunningham's essay is somewhat disappointing — perhaps because its title is so attractive and its preface so promising. It is true, as the author says, that there is little direct information bearing upon the social and economic life of the ancients; but this only renders it the more important for the economic historian to interpret properly what little there is. A running narrative of economic facts, classified under political countries, affords at best but a disjointed account of the progress of Western civilization.

Dr. Cunningham says that the sources of Western civilization are to be found in Egypt and Phœnicia. Yet Egypt, he declares, had "but little intercourse with her neighbors"; and the Phœnicians, he tells us, traced their traditions to the older "fishing industries and maritime trade" of the Persian Gulf. Thus, of the two sources taken, one had no outlet and the other was not original; and it is difficult to see, therefore, how the economic civilization of the ancients could have proceeded primarily from either. For the beginnings of industry and commerce we should rather look to Babylon, and follow the economic activities of the ancient Semites, as set forth by the late Dr. von Ihering in his suggestive essay on the *Vorgeschichte der Indoeuropäer* — to which, by the way, Dr. Cunningham makes no reference, either in its original or its translated form.

The author's account of the economic evolution of the Greeks is much more to the point; and particularly to be commended is his description of the development of Grecian city life. The effects of expansion toward the East under Alexander, introducing into the Western world the treasure and precious metals of Asia, are also well set forth, and lead up logically to the description, in the next chapter, of the inevitable struggle for supremacy in the West — the contest between Romans and Carthaginians, to decide whether the Aryan champions of the West or the Semitic representatives of the East were to rule the Mediterranean.

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In describing the rise and fall of Roman imperialism Dr. Cunningham uses economic facts to illustrate, rather than to account for, the course of historical development. This is particularly true when he summarizes the causes that led to the abandonment of the Empire of the West and the transfer of the capital to Constantinople. There were, in his opinion, "many symptoms of decay, . . . political disasters, and moral enervation, industrial stagnation and commercial ruin"; but, he continues, "when we look at the times from an economic standpoint," we shall find that "the growth of many of the evils of the time is largely accounted for by the simple fact that the Empire was inadequately supplied with money." This last is precisely Mr. Brooks Adams's point of view (though to the latter's *Law of Civilization and Decay* there is no reference in Dr. Cunningham's book); and in confining himself to this simple series of antecedents Mr. Adams displays the economic aspects of Roman civilization much more clearly than is done in the present essay.

Two points are well taken by Dr. Cunningham, and one of the two is well made. Emphasis is everywhere laid upon the effects of the environment; for, as the author says, "physical conditions are of importance not only in the rise but in the decline and fall of nations." Geography always serves to suggest, however, and never to explain the origin of economic phenomena. On the other hand, the historical application of the Aristotelian distinction between the natural and the money economy separates certain incongruous elements that have too long been confused and establishes a number of connections that have thus far been lacking.

Dr. Cunningham's book is certainly interesting and on many points suggestive. It also serves a sound pedagogical purpose, as it is admirably adapted to the use of students in economic and commercial history.

LINDLEY M. KEASBEY.

BRYN MAWR, PA.

Roman Society in the Last Century of the Western Empire. By SAMUEL DILL, M.A., Professor of Greek in Queen's College, Belfast. London, Macmillan & Co., 1898. — xx, 382 pp.

In this book Professor Dill has given us an admirable study of the state of Roman society in the last century of the Western Empire. The period is an obscure one and the materials scanty; but the available sources have been conscientiously and discriminatingly used, and the result is a picture which — all things considered —

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is surprisingly full and vivid. One hardly knows which most to admire, the patient industry with which the author has followed the most unpromising clues, or the sympathetic and constructive imagination with which he has combined the results thus gained into a unity. Christian and pagan sources have been impartially used; and, where the evidence of letters is lacking, the codes have been made to yield their indirect but no less fruitful testimony. While the author is familiar with the best monographs which deal with his period, the entire work is based on first-hand study of the sources.

The work is divided into five books, of which the first treats of the tenacity of paganism, the second gives a series of sketches of Western society from Symmachus to Sidonius, the third sets forth the failure of administration and the ruin of the middle class as revealed by the Theodosian code, the fourth deals with the barbarian invasions, and the fifth describes the most important characteristics of the education and culture of the period. Of these the third deals most directly with those political and economic questions which fall within the special field of this review. The gradual breakdown of the imperial administration with its paralyzing centralization is briefly traced, and the effect of this centralization in the destruction of the middle class and the aggrandizement of the great proprietors is more fully discussed.

The interest of the author is not, however, primarily either political or economic, but social. "How," he asks, "were men living, and what were their thoughts and private fortunes during that period of stirring change?" (Preface, p. vii.) The answer is given in a series of admirable studies which make up the heart of the book and give it its chief originality and charm. We are introduced to Roman society, as it appeared to such men as Symmachus, Ausonius and Apollinaris Sidonius. In the picture thus drawn of the great Roman noble of the fifth century, with his pride of ancestry and nation, his love of home and family, his indifference to social duties and needs, we have the reverse of the picture given in the code. We understand, as we study the life described by Professor Dill, how such a situation could have arisen as that with which Gibbon and his successors have made us familiar. It is not that society is so much more corrupt morally than it was in the earlier centuries; indeed, the evidence gathered by our author tends rather to relieve than to deepen the darkness of the picture. But men lived wholly in the past. The artificiality of their literature sprang from

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barrenness of thought, and absence of sincerity and love of truth [p. 369]. . . . When an author was praised, he was praised for having rivalled or distanced Homer or Pindar, Horace or Virgil; he was never praised for having opened new vistas of thought or for having revealed new powers of expression in language [p. 357].

And what was true in the world of letters was true in the larger world of politics and law, of social and municipal life.

Not the least valuable part of the book is its sympathetic study of the later paganism. Much light has been shed on this subject by the work of such men as Réville and Boissier. But Professor Dill approaches the subject from a standpoint of his own; and his book, with its painstaking study of individual character, is a useful contribution to our knowledge. We see Christian and pagan living side by side, differing in faith, yet with a certain genial toleration born of the consciousness of a common Roman descent. We see in such a story as that of Paulinus how the social indifference of the Roman aristocrat paved the way for the asceticism of the Christian recluse. We recognize the purity and lovableness of such sturdy old pagans as Symmachus. But at the same time we are made to feel that the future belonged to those earnest Christians who, "while the semi-pagan men of the world were toying with mythological fancies and feeding one another's vanity with tricks and surprises of style," were occupied with living interests and ideas (p. 369).

UNION THEOLOGICAL SEMINARY. WM. ADAMS BROWN.

A Short History of the Saracens. With maps, illustrations and genealogical tables. By AMEER ALI, SYED, M.A., C.I.E. London and New York, The Macmillan Company, 1899. — 638 pp.

The author, proud of his race and its wonderful history, has wished to make the latter better known, especially in India. The work has thus been distinctly a labor of love, and we much regret that it has not been accomplished more successfully. The average reader will not be interested in the volume; for, as the author has been unable to seize the salient points and to neglect the minor matters, most of the chapters are too thickly crowded with names, facts and dates. As a book of reference it would be admirable, if greater pains had been taken to secure accuracy, but errors are frequent: dates are wrong, especially where the author attempts to give the year of the Christian era corresponding to that of the Mohammedan calendar, old fables and exaggerated figures are repeated. The student would

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find the work useful, if the Arabic sources were indicated more frequently and precisely; but the author does not believe in "burdening us with the names of the authorities" (p. 465). Some of the Western writers whom he does quote frequently are, moreover, very unscholarly. In fact, his copious but undigested bibliography is indicative of his lack of historical training. In addition, he is throughout the work a special pleader and his judgment is biased: thus, he says that the *Universal History* (*al-Kâmil*) of Ibn ul-Athir "may be compared with the best works of Modern Europe." Any one familiar with this work can judge of the author's own fitness for writing history.

These criticisms are made with regret, because the author has industriously gathered the results of extensive study and wide reading and has tried to be impartial. Furthermore, his main thesis is true: our indebtedness to the Arabic civilization is great and deserves to be recognized more fully.

DANA C. MUNRO.

UNIVERSITY OF PENNSYLVANIA.

Étude sur la Propriété foncière dans les villes du moyen-âge et spécialement en Flandres. Par GUILLAUME DES MAREZ. (Recueil de travaux publiés par la Faculté de Philosophie de l'Université de Gand, 20e fascicule.) Ghent, H. Engelcke, and Paris, Alphonse Picard, 1898. — xxv, 392 pp.

In this work M. des Marez has made an important contribution to the study of one phase of the vexed question of the origin of the mediæval city. Students who have followed the arguments of Arnold, Maurer and Nitzsch, among the older writers, and of Hegel, von Below, Sohm, Keutgen, Pirenne and Maitland, among those of recent date, will thoroughly enjoy this admirably lucid and suggestive monograph. The author is a pupil of Pirenne's, and, as was to be expected, has concentrated his attention upon the cities of Flanders, Ghent, Bruges, Arras, Ypres, with but occasional digressions into other fields. His work may be said to be exhaustive, so far at least as Ghent is concerned; and he has done for the city what Meitzen, Hanssen and Lamprecht have done for the village and the open fields. He has worked out with great care what may be called the tenural history of Ghent: that is, he has traced each part of the city territory to its origin in *castrum*, *portus*, seigniory, *etc.*; has discovered the tenural origin of every house and plot; and has presented the results in plans and maps which show at a glance the different elements out of which the city has been constructed. If

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he had given us no more than chapter vii of the second part, together with the two largest maps and the appendix (*tables justificatives*), we might have felt well content.

But M. des Marez has not limited himself to a study of the territorial formation of Ghent and the other cities. Concerned with the origin and development of urban tenure, which he rightly believes to have been bound up with the origin and development of the city, he has examined (1) the origin of each form of tenure, (2) the relation in which each of these tenures stood to the public and penal law, (3) the relation in which urban property stood to private law, in the matter of the rights and obligations of the urban tenants, (4) the various characteristics of *census* and rent, the distinction between *cens seigneurial* and *cens foncier* (pp. 308–333), and, lastly, the evolution and later history of each, with especial relation to the influence that each had upon the growth of urban life and law.

As our author and M. Pirenne have studied the same group of mediæval cities, it is not surprising that the conclusions in the work before us are the same as those presented by M. Pirenne in *L'Origine des constitutions urbaines du moyen-âge*. And for Ghent and Ypres he has certainly proved his point — that the city took its rise, not in an abbacy or lay estate, or in an enlarged vill, a burg or a market, but in the settlement of a group or colony of merchants under the walls of the *castrum* or old burg. In this *suburbium* arose a new and freer régime — a special law, *droit urbain*, which finally extended over the *castrum* and the surrounding territories, and ended in overthrowing the old domanial laws and customs. These conclusions stand, as is well known, in direct opposition to those reached by Dr. Keutgen and worked out by Professor Maitland for the old boroughs of England, both of whom argue that the *burg* was the starting point, and its law the law of the merchants grouped at its feet.

The controversy, as it stands at present, seems to have reached the soberer stage in which writers are willing to recognize different origins for different cities, and different combinations of the various elements — military, economic and political — the burg, the vill, the moot, the market and the immigrant merchant, in the formation of the urban system. Surely no two sets of conditions could show more points of unlikeness than those which Professor Maitland has discovered for Cambridge and those which M. des Marez has discovered for Ghent. Compare, for example, the "law of dispersion" (pp. 182, 183), which governed the early landed arrangements for Ghent, making the territorial base a patchwork of different jurisdic-

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tions, the meeting place of many fiefs and seigniories, with the heterogeneity of tenure in the Domesday *burgi*, whereby each borough became a mosaic of houses and lands held of different lords. I suspect, however, that it is not fair to make the comparison, and that what was true of the Domesday boroughs was not true of other English towns and cities which were formed on the royal demesne or on the feudal estates and had but one seignior. The tenural history of half a dozen English towns other than the old boroughs would, were it written, doubtless tell us much. It might show, for example, that while Ghent and other Flemish towns started as groups of merchants, and by process of annexation came to include adjacent seigniories, and the English county towns began as military centres and were the scenes of a special peace, other towns and cities, possessing originally greater agrarian and seigniorial unity, found the beginnings of a larger existence, not in the entrance of immigrant merchants or in the special advantages conferred by an early tribal and national policy, but in the normal growth of trade, the increase of a native merchant body and the establishment of a market. All the evidence goes, indeed, to show that no one origin can be predicated for the mediæval city.

I cannot close this notice without calling attention to the interpretation (pp. 164–168) given by M. des Marez of the word *Weichbild*, which Schröder derived from *wik* (vill) and *bild* (emblem), meaning market-cross, the symbol of the royal peace; and upon which Sohm, whose work — strangely enough — our author does not mention, based in part his brilliant theory. M. des Marez traces the word to *wik* (*Stadt*) and *bilida* (*Recht*) and believes it to be in origin as in later meaning simply the *Stadtrecht*.

In form and arrangement the author's work cannot be called a finished production, for it is rough-hewn and crude; but it is a work deserving to be carefully studied and thoroughly understood.

Bryn Mawr College. Charles M. Andrews.

La Législation civile de la Révolution française (1789–1804). Essai d'historie sociale. Par Ph. Sagnac. Paris, Hachette, 1898. — xx, 445 pp.

Historians have hitherto been so fascinated by the political events of the Revolutionary period in France that they have given very little attention to the more fundamental and permanent social and economic changes. We have, it is true, in M. Gomel's volumes a

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lucid and altogether admirable account of the financial policy of the later comptrollers-general and of the National Assembly. An effort, too, has been made to supply at least the material for a history of the momentous changes in the ecclesiastical and educational system of France; and Professor Loutchisky has begun a helpful investigation of the distribution of land before 1789 and of the results of the confiscations and sales which followed the meeting of the Estates-General. Nevertheless, there are many gaps yet to be filled.

M. Sagnac, in the present voluminous doctor's thesis, makes a valuable addition to the literature of which we have been speaking. He aims to present "the civil Revolution" between 1789 and 1804. His essay deals, not only with the less technical history of the civil law during that period, but constitutes *un essai partiel d'histoire sociale.* There was, during the Revolution, an extraordinary shifting of wealth; and he asked himself how the revolutionary leaders aimed to influence its distribution, by what theories they were influenced, what means they used to accomplish their ends. To answer these questions is to write a history of the rural classes in France during the period treated. The land problem was perhaps the chief social problem which the successive legislative bodies had to face. This was a result of the revolt against the old system of tenure, against the feudal lords and, above all, against the clergy. "It involved the most vital interests and the hottest passions of the day."

> I have [the author says] endeavored to consider the civil legislation, not as an abstract matter after the manner of French jurists, but as a concrete and living element which results naturally from the condition of a society and the peculiar idea of a given nation and period; my object is to correlate the civil law with the general history.

Almost the whole of M. Sagnac's work is devoted to the period 1789–95. After a brief account of the extraordinarily chaotic state of the private law before 1789, he gives a chapter to the accepted principles of the eighteenth century and of the Revolution as tending to metamorphose and unify the civil legislation. Book I describes the system of land tenure before 1789, the abolition of the old order and the freeing of the soil by the *Constituante* and the Convention. Next, the church lands are taken up and the legislation relating to the sale of the *biens nationaux;* then follows the question of succession. Book II is devoted to civil status and marriage, which were removed from the control of the church.

Only about fifty pages are given to the period 1795–1804. No attempt is made to discuss in detail Napoleon's legislation. There

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is an excellent bibliography, with some useful notes on the various collections of sources, and a tolerable index. Some documents are added. The work is based upon a conscientious examination of the sources, and should be in the hands of every one who desires to understand the social reformation which is, after all is said, the most permanent and significant aspect of the French Revolution.

J. H. ROBINSON.

The Science of Law and Lawmaking. Being an Introduction to Law, a General View of its Forms and Substance, and a Discussion of the Question of Codification. By R. FLOYD CLARKE. New York, The Macmillan Company, 1898. — xvi, 473 pp.

That democratic government requires for its successful working a high level of popular intelligence, is a truism which it would be audacious to question; but it is going rather far to demand that the plain people, because in theory they decide all questions of state policy, should be enabled to form on all such questions, however technical, absolutely independent opinions. To know something about everything means rather more than a high level of education: according to James Russell Lowell, it is half of the highest. Pushed to this point, the democratic ideal would come fairly close to that state of things which the reviewer once heard calmly prophesied by a French socialist — "when everybody would go to the university."

Mr. Floyd Clarke does not advocate this; but he seems to feel that the university should come to every citizen, and he has made a beginning with a popular book on the codification question. He does not attempt to influence by authority: it is his effort to give to the layman the necessary data for an independent recognition of the inadvisability of codifying the common law. He therefore begins at the beginning and writes "an introduction to law," which prepares the way for an exhaustive analysis of the difference between statutory and judicial law. This part of the work is well done, and the book can be cordially commended to every layman who desires a more definite conception of the ways in which law comes into existence. The method of concrete illustration is perhaps pushed to an extreme: the layman may be induced to read a case or two, and even a statute or two, but he is hardly likely to peruse with care extracts from a digest or the table of contents of a code.

As regards the treatment of the special question of codification, the book has great merits. The author really makes it possible for

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a layman to see, as few lawyers really see, what is meant by the "flexibility" of case law. When he says (p. 255) that "the case law deals with the actual phenomena, while the code law deals with human abstractions from the phenomena as the counters for its reasoning," he has really gone to the bottom of the question.

The reviewer, however, cannot accept the statement that statutory law properly deals with "indifferent conduct," and case law with "ethical conduct"; and he is obliged to protest against the assertion (p. 447) that this distinction is substantially equivalent with the distinction which he[1] and others have drawn between public and private law. Public law, in this latter distinction, is taken in the Roman sense, as including all law which primarily subserves social rather than individual utilities, and of this law a very considerable portion is distinctly ethical.

It is to be regretted that, in a work written for laymen, the author should have ignored that argument against codification in our country which the American layman most readily comprehends — namely, that our common law is still substantially common to all the United States, and that state codes are practically acts of secession.[2]

MUNROE SMITH.

The Referendum in Switzerland. By SIMON DEPLOIGE, Advocate. With a Letter on the Referendum in Belgium, by M. J. VAN DEN HEUVEL, Professor of International Law at the University of Louvain. Translated into English by C. P. TREVELYAN, M.A., Trinity College, Cambridge. Edited with Notes, Introduction and Appendices by LILIAN TOMN, Girton College, Cambridge. London, New York, and Bombay, Longmans, Green & Co., 1898. — lxviii, 334 pp.

The book before us gives a timely account of the great democratic experiment in the country which, above all others, is the home of democracy. It contains within the compass of three hundred pages all the information in regard to the democratic institutions of Switzerland that even those most interested in such subjects are likely to need. It is not so much a discussion of the referendum as a scholarly account, at once brief and in detail, of what the referendum is and how it works; and it therefore enables the reader to form an opinion of his own on the basis of all the facts bearing upon the question,

[1] POLITICAL SCIENCE QUARTERLY, II, 122 *et seq.*
[2] *Ibid.*, III, 136–164.

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including the views of the leading Swiss statesmen. Of the three chapters, the first presents the historical development, the second describes present conditions, and the third deals with results.

In the *Landesgemeinde* direct legislation by the people has existed since the thirteenth century. In regard to these primitive democracies the author gives us some interesting information. They were not, it seems, free from corruption.

> A bailiwick was a snug berth for the man who could obtain the appointment by winning the sovereign's favor. In this case, however, the sovereign was an aggregate of some thousands of peasants, all of them men leading hard and parsimonious lives. The way to the hearts of such men was not to be found by mere flattery. A bribe of money, a good meal or a flagon of wine were [*sic*] better means to the end, a fact which soon became apparent to any candidate. Already as far back as the sixteenth century the *Landesgemeinden* are found legislating against the abuse.

The failure of these laws is shown by the subsequent efforts to give to the practice an appearance of legality by requiring the candidate to provide a dinner for the electors, for which "in later times a sum of money was substituted, to be distributed in whole or in part among the voters." The maintenance of order in these assemblies does not seem always to have been an easy task.

> At Schwyz no one was allowed to carry a stick, and if a disturbance occurred the combatants were imprisoned on the spot. At Glarus the disturber of the peace was deprived of his sword and of all political rights.

In the course of this same chapter on the evolution of democracy, the author shows how representative government in the cantons, which had been placed on a democratic basis after the July Revolution, was undermined by the adoption of the referendum, which in 1874 was introduced into the Confederation itself. Characteristic of the author's method is the summary which he gives of the discussion which on this occasion took place in the Federal Assembly.

After giving in the second chapter a careful account of the referendum and the popular initiative as they exist to-day, the author proceeds in the third chapter to inquire whether this democratic experiment is to be pronounced a success. A very useful table gives the laws and ordinances which in the Confederation have been submitted to the referendum down to February 20, 1898, together with the date of each vote, the number of signatures demanding the referendum, and the number of affirmative and negative votes. This table is made the basis of an examination in the text of the working of the referendum

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in particular cases. The editor has done the reader a service by continuing the list beyond 1892, the year in which this book was published at Brussels, and by adding a note of twelve pages, in which the measures submitted to a popular vote since that date are carefully summarized. To show the Swiss view of the working of the referendum the utterances of Swiss statesmen and publicists are quoted.

The author's own opinion may be given in two brief extracts from his closing pages:

> The experiment of the democrats cannot be said to have met with success. . . . It requires that each voter should be able to understand why legislation is necessary, and also should be able to judge whether the law in question is adequate to meet the case.

The forty-page letter of Professor van den Heuvel, published as an introduction to this volume, is an argument against importing the referendum into Belgium. For the English edition the translator has written an introduction giving a brief account of Swiss political institutions.

RICHARD HUDSON.

UNIVERSITY OF MICHIGAN.

Democracy: A Study of Government. By JAMES H. HYSLOP. New York, Charles Scribner's Sons, 1899. — xiii, 300 pp.

Political development is regarded by Professor Hyslop as the reflex of philosophical conceptions. Thus, a society made up of a congeries of tribal organizations, without a highly organized central government, is the social equivalent of polytheism and its concomitant atomistic type of philosophy. Imperialism, on the other hand, has followed the decline of polytheism and the adoption of monistic conceptions. To monistic ideas, according to Professor Hyslop, are traceable the ambitious projects of Persia under Xerxes, of Greece under Alexander, of Rome under Cæsar, of the Franks under Charlemagne, of France under Napoleon. Such speculations upon the connection between philosophical conceptions and politics occupy much space in the book; and the author holds that by means of philosophy man becomes conscious of the forces and ideas which determine his destiny and is enabled to give rational aid to the process of human development.

In approaching the problems of government presented by the extension of political privileges among the mass of the people, the author takes as his starting point the political philosophy of Hobbes,

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between which and later political development in England and America he finds a logical connection. By a line of argument that displays the remarkable feats of which scholastic fancy is capable, the author deduces these principles of political reform: (1) Adequate responsibility of the executive, legislative and administrative powers, and (2) integration and differentiation of function in the operations of government.

Upon this philosophic basis Professor Hyslop erects a constitutional system which in complexity exceeds any philosophical constitution ever heard of before. The constitution which Locke drew up for the Carolinas, with its provision of seigniories, baronies and precincts, and its social hierarchy of landgraves and caciques, is simple in comparison. Space will not permit of a discussion of details, but in effect the scheme proposes an operation upon the body politic, comparable to that which would be performed upon a man by extracting his skeleton and supplying him with a new one, whose parts and articulations had been brought to a state of philosophic perfection.

Perhaps it may be well to say that Professor Hyslop is quite serious in his proposals. He admits that there may be practical difficulties in the way, but the only thing that concerns him is the correctness of his deductions. If popular ignorance and perversity prevent the acceptance of his philosophical system, it is none of his business "to rescue men from the consequences of their folly and madness." He even permits himself to say that he would watch them plunge into the gulf of anarchy "with a most malicious and vindictive pleasure."

The book is a literary curiosity. It employs the nomenclature which Mr. Spencer introduced, and makes use of the biological illustrations with which readers of Mr. Spencer's works become familiar; but its intellectual ancestry is the ideology which flourished before the French Revolution, and its mental attitude shows hardly a trace of the modern conception of political science as founded upon rigorous induction from sociological data. At the same time the book displays intellectual power — so much, indeed, as to suggest that the author is a thinker who has been jolted from his proper bearings by some emotional explosion. This supposition is confirmed by the heat and violence of his language in discussing current politics, and by the fact that he "affectionately" dedicates the book "to all those who despise politics."

HENRY JONES FORD.

PITTSBURGH, PA.

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Studies in International Law. By THOMAS ERSKINE HOLLAND, D.C.L. Oxford, The Clarendon Press, 1898. — viii, 314 pp.

This volume is not a systematic treatise on international law, but is, according to the author's description, "a collection of such by-studies of special points as are incidental to the continuous exploration and exposition of any great department of knowledge." The studies have, however, been grouped under the several heads of "The Law of War," "Illustrations of the System of International Law," "The Eastern Question" and "Biographical Sketches."

Professor Holland is of opinion that the time is not yet ripe for the codification of the laws and usages of war, but that the international definition of rules with reference to subjects on which agreement already exists is both possible and desirable. The great difficulty in the way of codification is the fact that the apparent interests of nations vary in accordance with the character of their respective establishments. Thus, the United States refused to adhere to the Declaration of Paris of 1856, because, while it forbade privateering, it permitted belligerent capture of private property at sea by national ships. It was a diversity of military interests that caused the failure of the Brussels conference of 1874. Nevertheless, there are many points as yet unsettled on which it should be possible to agree; and it is a matter of importance, when agreements are reached, to embody them in an international convention or declaration.

In an interesting chapter on "International Law and Acts of Parliament," the author reviews the question whether the English courts would enforce such an act, if it were plainly in conflict with international law; and he reaches the conclusion that they would, notwithstanding the apparently contrary views expressed by Lord Stowell and Dr. Lushington in cases of prize. On the other hand, he maintains that no act of Parliament, or decision given in accordance with its provisions, would relieve the country from liability for any results of the act, or decision, which may be injurious to the rights of other countries. Assuming this to be a correct exposition of the law of England, — and the presumptions are in its favor, — the law of England in this regard is the same as that of the United States, as laid down by the Supreme Court in the Chinese exclusion cases. In those cases it was not simply a rule of the law of nations, but an express treaty that was in question; and it was held that the act of Congress, as the later expression of the legislative will, must prevail with all courts and officials in the United States, though the nation might remain liable for the non-performance of its international obligations.

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But, unquestionably, in any case in which there was room for it, the courts would give to a legislative act a construction in harmony with international law.

Professor Holland's *Studies* are both suggestive and instructive; and in many instances they relate to subjects upon which, although of present interest, information is not readily to be obtained. They therefore constitute, especially in their collective form, a valuable addition to the literature of international jurisprudence.

J. B. MOORE.

La Guerre sino-japonaise au point de vue du droit international. Par NAGAO ARIGA, Professeur de Droit International à l'École Supérieure de Guerre de Tokio. Paris, A. Pedone, 1896. — xiii, 310 pp.

Cases on International Law during the Chino-Japanese War. By SAKUYÉ TAKAHASHI, Professor of Law in the Imperial Naval Staff College of Japan, *etc.* Cambridge, The University Press, 1899. — xxviii, 219 pp.

The author of the first of these interesting works has held since 1891 the post of professor of international law at the Superior School of War at Tokio. In October, 1894, he was ordered to accompany the second Japanese army, in the war with China, as legal counsellor to the commander; and he was present in this capacity at the battles of Kinchow, Port Arthur and Wei-hai-wei. In the treatment, therefore, of many of the subjects which he discusses, he bore a personal part.

When the war with China began, Japan had already, to a considerable extent, acknowledged as obligatory the laws of war observed by the nations of the West. In August, 1870, during the war between France and Germany, she issued a declaration of neutrality.[1] Some years later a society similar to that of the Red Cross was established; and in 1886 the emperor formally adhered to the Geneva Convention of 1864. By an imperial decree of March 19, 1887, the rules of maritime law embodied in the Declaration of Paris of 1856 were declared to be in force in the empire. Professor Ariga does not claim, however, that in the war against China all the humane rules advocated in recent times by enlightened publicists were strictly carried out by Japan. The situation was complicated by the fact that the two belligerents did not stand in this regard on common ground.

[1] Foreign Relations of the United States, 1870, p. 188.

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The Japanese Empire, as he declares, wished to follow the rules which it would have observed in regard to France, England or Germany, but it could not "sacrifice its military interests" by discarding altogether the principle of reciprocity. His object, therefore, is to show to what extent and by what means it was able to give those rules effect in the situation in which it was actually placed. He justifies the action of his government in declining to agree to apply the provisions of the Geneva Convention to the Chinese, on the ground that, owing to the defective military organization of the latter and their lack of an efficient sanitary service, they would be unable to give it reciprocal effect. He devotes a chapter, however, to an account of the humane work done in the war by the Red Cross Society of Japan, in recognition of which the emperor subsequently issued a special decree.

In reading the book of Professor Ariga, one cannot fail to be impressed with the thoroughness of regulation shown by the Japanese in their conduct of the war. He gives the text of upwards of eighty documents, including various orders and decrees, some of which relate to subjects of capital importance and are comprehensive in character.

Professor Takahashi, like Professor Ariga, bore an actual part in the war, having accompanied the Japanese squadron as legal adviser to the admiral. In 1897, acting under the orders of his government, he went to Europe for three years for the further prosecution of his studies in international law. The object of his present work, as stated by himself, is "to make a definite contribution to the collection of cases on international law." This object he has achieved. His book includes such matters, arising during the Chino-Japanese conflict, as relate to maritime law, matters relating to the army having been treated by Professor Ariga. It is divided into two parts, the first of which relates to the subject of prize and the second to miscellaneous incidents of the Japanese naval operations. In the conduct of the Japanese we find the same thoroughness of regulation on sea as on land. On August 21, 1894, a law was promulgated for the organization of a prize court which was established at Sasebo. This law was based chiefly on the British and German prize acts; and its promulgation was followed up by the issuance of a prize law which was founded on the works of Professor Holland and Sir Godfrey Lushington, the rules of the Institute of International Law of 1882 and the instructions of the French navy of 1870. In the work of adaptation, however, Japan made one salutary improvement on the original. She abolished the interest of the captor in the prize.

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The right of visit was freely exercised by the Japanese, but only one ship was seized and taken into the prize court. Professor Takahashi gives a list of all the cases of visit, search and detention by the Japanese during the war, as well as the full text of numerous important and valuable documents.

J. B. MOORE.

La Doctrine de Monroe: L'évolution de la politique des États-Unis au XIX^e^ siècle. Par MAURICE D. DE BEAUMARCHAIS, Docteur en Droit. (Deuxième édition, revue et augmentée.) Paris, Libraire de la Société du Recueil Général des Lois et des Arrêts et du Journal du Palais, 1898. — ii, 234 pp.

This latest elaborate study of the Monroe doctrine is by far the most interesting and suggestive one that has yet appeared.

The introduction explains its origin. Part I treats of what is called the principle of non-colonization, which, the author maintains, has no legal basis and is contrary to international law;

> car un état ne peut modifier la situation des territoires qui ne lui appartiennent pas sans l'assentiment de l'état intéressé, et jamais aucune puissance n'a reconnu ce principe de non-colonization que les États-Unis voulaient imposer à l'Europe sur le continent américain [p. 44].

In this part he reviews the questions in regard to Guatemala, the Dominican Republic and the Oregon boundary. Of Part II — where he discusses what he calls the principle of non-intervention — the most important feature is his explanation of the great prestige that the doctrine has gained during three-quarters of a century. Part III is devoted to the principal applications of the doctrine. The author's reviews of the Panama Congress, the annexation of Texas, the Yucatan incident and the French invasion of Mexico are in general excellent. He exhibits impartiality in his well-balanced approval of the action of the United States in compelling the withdrawal of the French from Mexico. Under a subdivision called *La doctrine Monroe, seconde manière* (which might best be expressed in slang as the "fake" doctrine), he discusses at length, and with much cleverness, the Venezuelan and the Cuban affairs, the questions in relation to an interoceanic canal and a few minor incidents. Although the author shows that a large proportion of his information is superficial, and comes from secondary sources, all that he says is entertaining and worth consideration. Nowhere else has there appeared so satisfactory a review of the history and the significance of the Venezuelan boundary dispute in relation to the Monroe doc-

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trine. The author understands the diplomacy and the temporary expediency of Great Britain's surrender to the demands of President Cleveland; but he concludes the subject with these sentences:

La doctrine de Monroe était formellement reconnue par un des plus puissants états de l'ancien continent. L'Angleterre, qui avait défendu dans l'affaire du canal interocéanique les vrais principes du droit public, avait mis bas les armes devant les prétentions des Américains du Nord; les Anglais avait failli à leur devoirs internationaux, ils s'étaient montrés *mauvais Européens*, mais la généreuse nation espagnole devait prendre en Amérique la défense des droits du Vieux-Monde [p. 139].

A third subdivision under the head of *La doctrine sur le terrain économique* shows our tendency to use the doctrine so as to help us obtain for the products of our manufactories the markets of this hemisphere. This general idea is an old one, but some of the author's points are new and important.

Dr. de Beaumarchais recognizes that the United States has usually been able to compel the acceptance of its own interpretation of the doctrine; but he thinks that he foresees a reaction, owing to the fear of other American governments lest the great Republic may act on the theory that, as Secretary Olney announced, its fiat is law. In the author's concluding sentence there is almost as much truth as sarcasm:

Sans doute ce n'est qu'une règle de politique, *a rule of policy*, . . . mais c'est une règle de politique d'une souplesse admirable; elle indique à toute question une solution favorable aux intérêts de l'Union, revêtue d'une apparence juridique et du prestige dû à une autorité ancienne et vénérée; . . . elle signifie bien l'Amérique aux Américains, mais avec ce sous-entendu redoutable pour les Américains du Sud et pour les colonies européennes du Nouveau-Monde que les citoyens de l'Union sont par leur nombre et leur richesse devenus en réalité les seuls Américains [p. 228].

If the book had been written with care and scholarship equal to the author's ambition and mental brightness, it would surely attract much attention among students of diplomatic history. There are many slips and blunders as to figures and names. If the volume should be thoroughly revised and translated into English, the author could safely count on earning a very enviable reputation, even in the United States.

FREDERIC BANCROFT.

WASHINGTON, D. C.

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RECORD OF POLITICAL EVENTS.

[From November 11, 1898, to May 10, 1899.]

I. THE UNITED STATES.

PEACE WITH SPAIN. — **The treaty of peace** was signed December 10. Spain relinquished Cuba, and the United States assumed, for the period of its occupancy of that island, full international responsibility for the protection of life and property. The United States also undertook to adjudicate and settle all claims of its citizens against Spain that had arisen since the beginning of the last Cuban insurrection. Spain ceded to the United States Porto Rico and its other West Indian islands, the island of Guam in the Ladrones and all of the Philippines. The United States promised to pay to Spain $20,000,000 (a sum approximately equivalent to the gold value of the debt charged upon the Philippines); to admit for ten years to the ports of the Philippines Spanish ships and merchandise on the same terms as American; and "to obtain the release of all Spanish prisoners in the hands of the insurgents in Cuba and the Philippines." Provision was made by which natives of the Peninsula, remaining in the territories relinquished or ceded by Spain, should be protected in their civil rights and might preserve Spanish nationality; but the political status and the civil rights of the native inhabitants of the ceded territories were left to the determination of the United States Congress. — The treaty encountered strong opposition in the United States Senate (see p. 367), but was approved February 6. It received the signature of the Queen Regent of Spain, March 17. Ratifications were exchanged at Washington, April 11, the French ambassador, M. Cambon, acting as representative of Spain. Preparations were at once made for the resumption of diplomatic relations, by the appointments of Mr. Bellamy Storer as United States minister at Madrid and of the Duke of Arcos as Spanish minister at Washington.

THE PHILIPPINES. — During the negotiations at Paris it became clear that Aguinaldo and his associates hoped that the Philippines would be placed upon the same footing as Cuba; and the papers transmitted by President McKinley to the Senate with the treaty of peace showed that this hope had been in some degree encouraged by our consuls at Singapore and at Hongkong. Upon the conclusion of the treaty Aguinaldo's agent, Agoncillo, protested that Spain, having lost control of the Philippines, could not cede them. Negotiations at Manila, in January, between commissioners of Aguinaldo and officers appointed by General Otis, defined the attitude of the Tagalos: they desired American protection against other

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powers, but were unwilling to accord to the United States any control over the Philippine Republic. The United States government, on the other hand, had promptly disavowed the compromising utterances attributed, during the summer of 1898, to its consuls; had cautioned them and the naval and military commanders at Manila to give no pledges; and had consistently refused to recognize the Philippine Republic. — **Presidential instructions** regarding the government of the islands were addressed, December 21, to the Secretary of War, declaring that, under the rights of sovereignty acquired from Spain and in fulfillment of the obligations thereby assumed, the military power of the United States was to be extended with all possible dispatch over the whole of the ceded territory; that the mission of the United States was to be one of "benevolent assimilation"; that, "so far as practicable," the civil and criminal laws of the territory were to be retained and administered by the ordinary tribunals; that, under the same limitation, the local government was to be left undisturbed or placed in the hands of native officials; that those who accepted the supremacy of the United States were to be protected in their private rights, but those who resisted were to be brought to submission by "the strong arm of authority." These instructions were transmitted to General Otis December 27, and were in part incorporated in a proclamation issued by him January 4. The assertions of sovereignty and the threats of forcible subjection were omitted, and only the promises retained; but even in this form the American program was received with resentment. The announcement, January 16, that the President had appointed three **civil commissioners** (J. G. Schurman, president of Cornell University; Colonel Charles Denby, ex-minister to China; and Professor D. C. Worcester of Michigan University), who were to proceed forthwith to the Philippines and to act with Admiral Dewey and General Otis as an advisory board on matters of administration, failed to conciliate native opinion. It was known that nearly 10,000 American regulars had been ordered to Manila; and it was apparently in order to anticipate these reinforcements that, on the evening of February 4, the Tagal army, which had retained positions encircling Manila since the surrender of the city, opened hostilities by a general attack upon the American lines. Aguinaldo, however, declared that the fighting had not been authorized by him, and asked for an armistice. This General Otis refused. — At the outbreak of the **war in Luzon**, the Tagalos claimed to have 30,000 men under arms, while the Americans had a nominal strength of 18,800. Between the 5th and the 10th the American troops, supported by the guns of the fleet, drove the insurgents from the immediate environment of the city. Upon the arrival of reinforcements from the United States, the Americans assumed the offensive: on March 13–15 they seized the line of the Pasig River and put gunboats on the Laguna de Bay, dividing the Tagal forces; and during the last week in March they drove the bulk of the insurgent army to the north, capturing Malolos. In the second week of April they cleared the Laguna de Bay of hostile vessels and raided the

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country to the east and south; late in April and early in May they made a second energetic movement northward, capturing Calumpit, Balinag and San Fernando. During the latter part of April and in May the Tagal forces were further harassed by an uprising of hostile tribes in their rear. — The American losses during these three months (February–April) were about 200 killed and 1100 wounded; the insurgent losses were many times greater. — On April 28 the Tagal leaders made **overtures for peace**, proposing an armistice and the submission of terms to a Philippine Congress. General Otis, however, demanded unconditional surrender; and the negotiations, which continued to the close of the RECORD, led to no immediate results. — During the conflict in Luzon, some progress was made in extending American authority over **the other islands**. The city of Iloilo, in Panay, where a native government had been established under the auspices of the Philippine Republic, was occupied, February 11, after a short bombardment, by an American force of 1200 men, commanded by Brigadier-General Miller. On February 26 the navy took peaceful possession of the town of Cebu in the island of the same name; and early in March troops were landed at Cebu and at Bacolod in Negros Island, in the latter place upon invitation of the native authorities, who were not in sympathy with the Luzon insurgents and desired American protection against the marauding hill tribes of the interior. The islands of Leyte and Samar were similarly occupied about the middle of March. — **The Spanish prisoners** held by the Americans were duly sent back to Spain, the last contingent embarking at Manila, March 11; but the Tagalos, even before the outbreak of hostilities, refused to deliver their prisoners to General Otis, asserting their intention to treat directly with Spain as regarded their military prisoners and with the Vatican as regarded the clerical captives. Early in February the Spanish government gave notice at Washington that it intended to open negotiations with the Tagalos and to charge the United States with the expense. On March 12 General Otis notified the Spanish commissioners that he could not permit the payment of money to the insurgents, and forbade them to pass the American lines. The Spanish government protested; and on April 15 Otis authorized the commissioners to reopen negotiations and to offer, in exchange for the Spanish prisoners, 1500 native prisoners captured by the Americans. On the 28th Aguinaldo notified the commissioners that he was treating for peace with the Americans and would not discuss any exchange of prisoners except in connection with the terms of peace. — The health of the American troops in the Philippines remained good throughout the six months. The average sick list, which had risen above twelve per cent in October, fell below seven per cent in April. From the end of June, 1898, when the first expedition landed, to the end of April, 1899, there were 278 deaths from disease. — Upon the ratification of the treaty with Spain, April 11, the volunteers in the Philippines were entitled to discharge; and, although Congress had authorized their reënlistment for six months, it did not appear that any consider-

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able proportion desired further service. Arrangements were accordingly made to replace them as rapidly as possible. On April 20 it was officially stated that 21,000 regulars were in the islands or under orders to proceed there, and that 9000 more would be sent.

THE OTHER NEW TERRITORIES. — On January 17 Commander Taussig of the *Bennington* hoisted the American flag over **Wake Island**, an uninhabited atoll midway between the Philippines and the Hawaiian Islands; and at the close of the month he took formal possession of **Guam** and organized a native government. — The commissioners appointed to frame a plan of government for the territory of **Hawaii** recommended, in a report published in December, that United States citizenship be conferred upon all whites, and upon all persons of African or Hawaiian descent who were Hawaiian citizens before sovereignty was assumed by the United States; that a governor and a secretary of the territory and all federal judicial officers be appointed by the President; that the other territorial officers, administrative and judicial, be appointed by the governor and confirmed by the territorial Senate; and that the legislature consist of fifteen senators and thirty representatives, possessing a certain property or income and chosen by a limited electorate (educational qualification of voters for representatives, property qualification also of voters for senators). As Congress failed to adopt this or any other plan, the islands remained under military government; but the ordinary courts continued to administer the established laws of the territory. — General Guy V. Henry, appointed to succeed General Brooke as military governor of **Porto Rico**, announced, December 30, that in making appointments to office he proposed to give preference to Porto-Ricans of anti-Spanish sympathies. American heads were selected for the departments of public works and of education and for the health board; a director of the postal service was sent from Washington, and a few Americans were appointed as customs officers; but with these exceptions the insular and local government was intrusted, under the general control of the American military authorities, to Porto-Ricans. The insular cabinet was reconstructed early in March by the appointment of Señors Acuna (State), Navarro (Justice), Degetau (Interior) and Dr. Coll (Finance). The Porto-Rican courts continued to administer civil justice. The municipal councils were reorganized with equal representation, so far as possible, of the Liberal and Radical parties. Sinecures were abolished and salaries reduced; municipal taxes on the meat business were replaced by liquor and tobacco licenses; civil marriage was authorized, and a public-school law framed; and mortgage foreclosures and judgment sales of land were stayed for one year. A threatened famine in the interior districts was met, in March, by authorizing the post-commanders to distribute food. Relief work was also provided: nearly 15,000 men were employed in road-building, at an expenditure of about $125,000 a month. — For tariff changes and the readjustment of the monetary system, see CUBA. — A temporary executive order of May 1 opened trade between

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Porto Rico and the United States to all vessels, foreign as well as American. — At the close of April General Henry was relieved of his command, and General George W. Davis was appointed as his successor. — On April 19 commissioners, "representing the Porto-Rican people," submitted to President McKinley a petition for the admission of the people to United States citizenship and for the establishment of a civil government. The President explained that the question must be settled by Congress.

CUBA. — The withdrawal of the Spanish forces was gradually accomplished, without other incidents than occasional quarrels (especially at Havana in December) between Spanish and Cuban officers. When, on January 1, the control of the island was formally transferred to the American commissioners, there remained about 40,000 Spanish soldiers, who were placed upon the extraterritorial footing of a foreign army in a friendly land. The last of these embarked for Spain February 6. — **The military government** of the island was intrusted to General Brooke as governor-general, with other generals as governors of the six provinces and of the city of Havana, which was made a separate military district. April 17 the number of provinces was reduced by consolidating Pinar del Rio with rural Havana, and Matanzas with Santa Clara. Side by side with this military government, and under its control, a civil government was gradually organized for the island. On January 17 General Brooke selected a cabinet consisting of Señors Capote (State and Interior), Desvernine (Justice and Education), Lanuza (Agriculture) and Yanez (Public Works); and in February these four secretaries were invested with the powers exercised by the autonomist secretaries under the recent Spanish régime. On May 4 a supreme court was established. Civil governors were selected to coöperate with the military governors in the several provinces, and municipal government throughout the island was left in the hands of the native authorities with enlarged powers. A municipal police was organized at Havana and rural constabularies were formed in the provinces. These forces and their officers were largely drawn from the Cuban army. In general, from the insular cabinet down, the persons selected for offices belonged to the anti-Spanish party, but leading patriots who were not appointed denounced the selections as unrepresentative. — By a decree of March 25, radical reforms were introduced in the system of taxation. Octrois, taxes on food and many other taxes were abolished, and the land tax was reduced. The sale of land for debts contracted prior to January 1, 1899, was suspended until May 1, 1901. — A new customs tariff was published at Washington in December and was put in force January 1. Its rates were lower than those of the provisional tariff of the previous summer. A similar tariff with still lower rates was put in force in Porto Rico February 1. In both tariffs the rates were expressed in American money; and further executive orders, fixing the value of Spanish coins, placed both islands upon a gold basis. — By executive order of December 13, the coasting trade of Cuba was opened to American as well as to Cuban vessels.

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— Negotiations for the **disbandment of the Cuban army**, conducted at Washington by commissioners appointed by the Cuban Assembly (see last RECORD, p. 750), were interrupted by the death of General Garcia, December 11, and, when renewed, failed to lead to agreement. At the end of January the United States government opened negotiations with General Gomez, and secured from him, as commander-in-chief, acceptance of its proposals, according to which the United States was to advance $3,000,000 for distribution among the Cuban soldiers and, upon receipt of this sum, the army was to be disbanded. The Assembly decided, March 1, that this offer was inadequate and should be refused; and on the 11th it declared Gomez a traitor and deprived him of his command. Cuban sentiment, however, supported Gomez; and the Assembly, failing to obtain better terms, voted, April 4, the disbandment of the army and its own dissolution. Early in April the Cuban generals reëlected Gomez as commander-in-chief, and empowered him to make the necessary arrangements with the United States authorities. It was stated on the 18th that the rolls showed the existence of a Cuban army of 6000 officers and 42,000 men, and that, excluding officers and recent recruits, there were nearly 40,000 soldiers entitled to a share of the money advanced by the United States. — **Relief measures against famine** were practically confined to the distribution of rations on a large scale and the employment of the needy in public works. It was stated in March that those of the *reconcentrados* who had survived could not support themselves, unless supplied with oxen, agricultural implements and seed; but no systematic measures were taken for providing such assistance. — During the period under review, **peace and order** were generally maintained. Outbreaks of brigandage in several provinces were suppressed either by the rural police or by the American troops or, in some instances, by the Cuban troops. March 18, 19 and 20 there was a series of conflicts, in which more than sixty persons were killed or wounded, between the disorderly negro element of Havana and the municipal police; and a similar though less serious outbreak occurred April 23. During the autumn and early winter there were occasional complaints, both in Cuba and in Porto Rico, of misconduct on the part of American soldiers; and on November 14 excesses of negro volunteers near Santiago led to a conflict with the rural police and the loss of several lives. All trouble of this character ceased with the withdrawal of the volunteers from the islands and the substitution of regular regiments. — The health of the American troops was excellent. Havana was reported, in April, to be free from yellow fever, and its mortality for that month was less than half that recorded for April, 1898.

OTHER FOREIGN RELATIONS. — The British-American Commission reassembled at Washington November 10 and adjourned February 20. It was reported that the commissioners were unable to agree upon any method of dealing with the Alaskan boundary dispute, and that the two governments would try to settle this question before the commission

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reassembled. Vacancies in the commission, resulting from the deaths of Mr. Dingley (January 13) and of Lord Herschell (March 1), were filled by the appointments of S. E. Payne, M.C., and of Baron Russell of Killowen, Lord Chief Justice of England. — Political relations with **Germany** were improved: by a speech made by Secretary of State von Bülow in the Imperial Parliament February 11, in which he asserted that the rumors of German designs upon the Philippines and the reports of tension between German and American officers at Manila were baseless fabrications of the foreign press; by an official request, at the close of the same month, that the United States should undertake the protection of German life and property in the Philippines; by the simultaneous withdrawal of the German war vessels from the archipelago; and by the appointment, March 2, of Prince Henry to relieve Admiral Diedrichs of the command of the German fleet in East-Asiatic waters. In the field of commercial relations, controversy continued over the interpretation of "the most favored nation" clause in the German-American treaties; and a further issue was created by the decision of the United States Supreme Court that German import taxes, remitted on the ground that the manufactured product was to be exported, should be included in determining the value of the goods when imported into the United States. Negotiations for reciprocal concessions were, however, said to be in progress, and in February the restrictions imposed by Germany upon the importation of American fruits were relaxed. — At the same time new political complications were arising in the **Samoan Islands** in connection with the election of a successor to King Malietoa Laupepa. Of the two principal candidates, Mataafa, who had been brought back from exile September 18, was supported by his former opponents, the Germans; while Malietoa Tanu, the young son of the late king, was preferred by the British and Americans. Religious prejudices were brought into play by the fact that Mataafa was a Roman Catholic, while Malietoa Tanu was a Methodist. Early in December the native chiefs elected Mataafa by a very large majority. The Malietoans questioned his eligibility; and, in accordance with the Berlin treaty, the dispute was referred to the chief justice for settlement. On December 31 Chief Justice Chambers decided that Mataafa was ineligible and that Malietoa was elected. This decision was largely based on the fact that, in the discussions preceding the Berlin treaty, the German representative had insisted upon Mataafa's exclusion. The German consul, Herr Rose, pointed out that the treaty itself did not exclude Mataafa, protested against the decision and refused to recognize Malietoa as king. On January 1 the Mataafans attacked and defeated the Malietoans. Europeans were not molested; and the commanders of the British and German warships lying in the harbor of Apia took no part in the contest, except to receive and shelter fugitive Malietoans and to secure good treatment for the captives. On the 4th the German, British and American consuls recognized the *de facto* government established by the Mataafan victory. Of this govern-

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ment Dr. Raffel, the president of the municipal council, was proclaimed to be "executive head"; and a former officer of the German army, Herr von Bülow, organized a municipal police. On the 6th Dr. Raffel declared that the office of chief justice had been vacated by revolution, and locked up the supreme court building. On the following day Captain Sturdee of the British cruiser *Porpoise*, accompanied by the British and American consuls, forcibly opened the supreme court building and reinstated Chambers. On March 6 Rear-Admiral Kautz reached Apia on the United States cruiser *Philadelphia* and, after consultation with the three consuls and the British and German naval commanders, issued on the 11th a proclamation declaring that the provisional government had no standing under the Treaty of Berlin and commanding Mataafa and his followers to return to their homes. On the 13th Consul Rose announced that he had not assented to this decision, and that he still recognized the provisional government. The Mataafans, who had withdrawn from the neighborhood of Apia, at once returned. In the ensuing conflicts, which continued intermittently until the latter part of April, a number of Samoan villages were destroyed by bombardment, and three officers and several men of the British and American forces and hundreds of Samoans were killed. On March 23 Malietoa was crowned at Mulinuu. The German government disapproved Dr. Raffel's action and recalled him, but protested against the course pursued by the British and American representatives, maintaining that the three powers had equal rights in Samoa and that important decisions could not rightfully be made except by unanimity. At the suggestion of the German government, it was agreed, in April, to send to the islands **a joint commission** which should assume the provisional government, investigate the entire controversy and endeavor to agree upon a settlement. The commissioners, Mr. C. N. E. Eliot, Baron Speck von Sternberg (members, respectively, of the British and German embassies at Washington) and Mr. Bartlett Tripp of South Dakota (former United States minister at Vienna), sailed from San Francisco April 26. It was also arranged by the three governments that hostilities should be suspended. Instructions to this effect reached Apia April 21, and on the 25th a truce was negotiated. — **Delegates to the peace conference** suggested by the Czar were appointed by President McKinley early in April, namely, Andrew D. White (ambassador at Berlin), Stanford Newell (minister at The Hague), Seth Low (president of Columbia University), Captain William Crozier (of the ordnance department of the army) and Captain A. T. Mahan (of the navy, retired).

INTERNAL ADMINISTRATION. — The principal changes in the *personnel* of the administration and of the diplomatic service were as follows. In December, Secretary of the Interior Cornelius N. Bliss resigned, and was succeeded by Ethan A. Hitchcock of Missouri, ambassador at St. Petersburg. In January, Charlemagne Tower of Pennsylvania, minister to Austria-Hungary, was transferred to the embassy at St. Petersburg; Addison C. Harris of Indiana was appointed minister to Austria-Hungary; and

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Joseph H. Choate of New York was appointed ambassador at St. James's. In April, the appointment of Bellamy Storer, minister to Belgium, to be minister to Spain, and the resignation of William W. Rockhill, minister to Greece, occasioned a number of changes: Lawrence Townsend was transferred from Portugal to Belgium and Arthur S. Hardy from Persia to Greece; John N. Irwin of Iowa was appointed minister to Portugal; and, in May, Herbert W. Bowen of New York was appointed minister to Persia. — **Investigation of the War Department** continued during the period under review. The President's commission (see last RECORD, p. 754) returned to Washington November 10, took further testimony until the middle of January and submitted its report February 9. The commissioners found that the equipment of the army and the arrangements for its transportation, the choice of camp sites and the care of the sick and wounded had been in some respects unsatisfactory, especially in the early stages of the war; that a "complete grasp of the situation" had been lacking in the general administration of the department, and that want of foresight and of executive ability had been shown in special instances; that the majority of the evils disclosed were attributable to inadequate appropriations, defective organization and routine methods; that no evidence of dishonesty had been discovered; and that, considering all the difficulties, the management of the war had been highly creditable to the department and to the country. — A scandalous episode occurred toward the close of this inquiry. Angered by testimony given by General Miles, December 21, to the effect that the canned beef supplied to the army was unfit for food and that the refrigerated beef was "embalmed" (*i.e.*, preserved by chemicals), Commissary-General Eagan read to the commission, January 12, a statement so vituperative and so vulgar that the commissioners refused to print it and returned it to him for revisión. A court-martial, appointed January 18, found him guilty of conduct unbecoming an officer and prejudicial to discipline, and sentenced him to dismissal from the army. President McKinley, however, commuted the sentence to suspension from rank and duty for six years without loss of pay. — These events concentrated public attention upon the beef question, and on February 9 **a military court of inquiry** was appointed to investigate General Miles's allegations. After taking much testimony in Washington, New York and Chicago, the court reported: that General Miles's charges were substantially true as regarded the canned beef; that this was not suitable as a travel ration on transports, nor as a continuous field ration; that the purchase of nearly 7,000,000 pounds of this beef by the commissary department was "a colossal error"; that, as regarded the refrigerated beef, General Miles's charges were not sustained by evidence; and that the general, having knowledge or belief that the meat furnished to the army was unsuitable, was derelict in his duty in not immediately reporting such knowledge or belief to the Secretary of War. — In the course of the winter and the spring, as the recruitment of the regular army progressed, all the volunteers were gradually mustered out except those serving

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in the Philippines. No steps were taken to recruit the new volunteer army authorized by Congress. — In April, by order of the Postmaster-General, pamphlets issued by an Anti-Imperialist League and addressed to American officers in the Philippines were taken out of the mails at San Francisco. The legality of this action was questioned. — **Treasury** returns for nine months of the current fiscal year (to April 1) showed an increase, as compared with the corresponding period in 1897–98, of more than $44,000,000 in receipts from customs and of nearly $78,000,000 in internal revenue. The increase in army and navy expenditures, during the nine months, was about $169,000,000, and the deficit was $85,000,000. This deficit and that of 1897–98, which (disregarding receipts from the sale of the Pacific railways) was about $73,000,000, were covered by the $200,000,000 war loan of 1898. — An arrangement was made with the Central and Western Pacific railroads, securing the payment of the amount due to the government (nearly $59,000,000) in twenty semi-annual instalments with three per cent interest. — A treaty providing for the dissolution of tribal relations was rejected by the Creek nation in November, but a new treaty was negotiated in February. On January 14 a similar treaty was concluded with the Cherokees. A provision in these treaties, that neither nation should be made part of any state without its consent unless the state should be composed of the five civilized tribes, aroused opposition in Congress, and the treaties were not confirmed. It was reported in April that 5000 Cherokees, Creeks and Delawares, desirous of preserving their tribal relations, had emigrated to Mexico. The Ute Indian reservation in Colorado was opened to settlers May 4. — Complaints of misgovernment in **Alaska** were made in December by the Russian bishop (in a letter to President McKinley) and in March by American citizens residing at Fort Wrangel. — During the period under review there was much complaint of evasions and violations of the civil service laws. The reformers were further discouraged by the refusal of Congress to provide for competitive examination of census officials, and by the declaration of the director of the census (William R. Merriam of Minnesota, appointed March 4) that in making appointments he would give preference to candidates endorsed by their Congressional representatives.

CONGRESS. — The President's message at the opening of the third session of the Fifty-fifth Congress, December 5, was largely devoted to a review of the conflict with Spain. Passing to pending problems, he emphasized the duty of the United States to aid the Cuban people in forming a government, and also the necessity of maintaining military occupation "until there is complete tranquillity in the island and a stable government is inaugurated." He declared that for the United States, with its relatively small army and navy, the Czar's proposal to restrict armaments had no practical importance, but that aid and countenance should be lent to the beneficent project; and he requested authorization to negotiate with the principal maritime powers for the exemption of private

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property, not contraband of war, from capture at sea. He indicated that the United States had no interests in China except in an open door for trade. He recommended that Congress should make provision for the construction of an interoceanic canal to be controlled by the United States; for the encouragement of regular steamship communication with the new territories; for the increase of the regular army to 100,000; and for the addition of fifteen vessels to the navy. He renewed his recommendation of a reform of the currency. — On January 4 the President transmitted to the Senate **the treaty of peace** with Spain. Opposition to the annexation of the Philippines was so strongly manifested as to make it doubtful for a month whether the necessary two-thirds vote could be secured for ratification; but on February 6 an amendment, providing that Spain should merely "relinquish" sovereignty over the Philippines and that the United States should assume only temporary control, was defeated by a vote of 30 to 53, and the treaty was then ratified by a vote of 57 to 27. Thirteen Democrats and Populists voted for ratification, three Republicans against it. — The permanent **increase of the army** encountered strong opposition in the House and was defeated in the Senate. A compromise bill, which originated in the Senate and became law March 2, fixed the strength of the regular army at 65,000, but only until July 1, 1901, and authorized the enlistment for the same period of 35,000 volunteers, "to be recruited from the country at large or from the localities where their services are needed." The bill further authorized the reënlistment of the volunteers in the Philippines for a term of six months, and it forbade the grant of any franchises in Cuba. — The increase of **the navy** also was opposed by the Senate; and when the Naval Appropriation Bill (which became law March 3) emerged from conference, it authorized the construction of three battleships, three armored cruisers and six protected cruisers, but it apparently made the grant of the six armored vessels illusory by limiting the price to be paid for armor to $300 a ton. (The House bill authorized $445 a ton.) This act and the Navy Personnel Act of the same date fixed the strength of the navy at 17,500 sailors (the House bill provided for 20,000) and 6000 marines. The Navy Personnel Act accomplished changes long advocated: it transferred the engineer officers to the line; put naval officers on the same footing, as to pay and allowances, as officers of corresponding rank in the army; and abolished prize money. A bill signed March 2 created the office of admiral and provided that, "whenever vacated by death or otherwise, the office shall cease to exist." Rear-Admiral Dewey was at once advanced to this rank. — Of other measures enacted the more important were: an act revising the laws relating to American seamen (December 21); a general law for the acquiring of rights of way by railroad companies through Indian reservations (March 2); a code of criminal law and procedure for Alaska (March 3); and an act providing for the taking of the twelfth census. This last act, as shaped in conference, vests the appointment of the whole personnel in the director, "subject to such examination

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as said director may prescribe, provided that no examination shall be required in the case of enumerators or special agents nor of employees below the grade of skilled laborers at $600 a year." By act of January 12 Congress adopted for the District of Columbia the Negotiable Instruments Bill recommended by the state commissioners on uniform legislation. — Bills for extending the United States customs, internal revenue and navigation laws to Hawaii were passed by the House but not by the Senate. On the other hand, the Senate bills for the restriction of immigration and for the incorporation of the International American Bank, upon which the House had failed to act at the preceding session, and measures for the construction of the Nicaragua Canal at the cost of the United States treasury and for subsidizing a cable to Hawaii, which were attached by the Senate to appropriation bills, were defeated in the House. All that the friends of the interoceanic canal were able to secure in conference was an appropriation of $1,000,000 for further investigation of all routes. A bill for subsidizing American shipping was introduced in both houses, and Hawaiian government bills were elaborated in Senate and House committees; but these measures were not brought to a vote. — In the matter of currency reform no action was taken, except that the Senate authorized its finance committee to sit and take testimony during the recess, and the Republican caucus of the House appointed a committee of sixteen to prepare a bill for submission to the Fifty-sixth Congress.

THE FEDERAL JUDICIARY. — The Supreme Court held, November 14, that a grant by a city to a private company of an exclusive right to supply water for twenty-five years established a contract protected by the United States constitution and not to be abrogated or impaired under the police power without special cause (Walla Walla City *v.* Water Co.); adhered, December 5, to its previous decisions in the Virginia Coupon cases, in spite of the fact that the highest court of Virginia had since, for the first time, declared the law of 1871, which made the coupons receivable for taxes, to be void (McCullough *v.* Virginia); held, December 12, that the collection of an assessment in substantial excess of the special benefit conferred by a public improvement was a taking of property without compensation (Norwood *v.* Baker); upheld, January 9, a state statute abridging the right of jury trial in civil cases, although the statute applied to the city courts only and not to county courts (Chappell Chemical Co. *v.* Sulphur Co.); upheld, January 16, a state statute compelling fire insurance companies in case of total loss to pay the full amounts for which the property was insured, less deterioration (Orient Insurance Co. *v.* Daggs); held, February 20, that the rebate of taxes on alcohol used in the arts, authorized by the tariff law of 1894, under regulations to be established by the Secretary of the Treasury, was defeated by the failure of the secretary to issue any regulations and created no claim against the government (Dunlap *v.* United States); upheld, April 3, as indirect and uniform, the tax imposed by the War Revenue Act of 1898 upon transactions in boards of trade, exchanges,

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etc. (Nicol *v.* Ames); and held, on the same date, that the states have no power to tax national banks on their franchises (Owensboro National Bank *v.* Owensboro).

ELECTIONS. — Official returns of the elections of November 8 showed a Republican plurality in the whole country of about 700,000. Returns from Louisiana, Mississippi and South Carolina not only showed the general disfranchisement of the blacks but also indicated widespread abstention on the part of the whites, the total popular vote in these states being less than one-fifth of the vote cast in 1870. — **The election of United States Senators** was impeded in several states by factional contests of great bitterness; and four legislatures, those of Delaware, Pennsylvania, Utah and California, adjourned without electing. Charges of bribery were made in several states, but it was only in Delaware that any legislator was put on trial, and there the accused was acquitted. In Pennsylvania the struggle in the legislature was complicated by a contest in the courts. Senator Quay, who was supported for reëlection by the majority of the Republicans, was indicted, November 21, for conspiring to use in private speculation state money deposited in a Philadelphia bank. The trial took place in April and ended on the 21st (two days after the adjournment of the legislature) in Quay's acquittal. On the same day the governor appointed Quay senator, to serve until the next session of the legislature.

STATE LEGISLATION. — Full returns of the November voting on **constitutional amendments** showed the following results not included in the last RECORD (*cf.* p. 758): California voted against the creation of a court of claims and against the establishment of a local initiative in the framing and amendment of county charters; Minnesota, in favor of a local initiative in the amendment of city charters; Florida, in favor of clothing its railway commissioners with judicial powers; Texas, in favor of pensioning Confederate veterans; and Minnesota, that future constitutional amendments must be submitted at general elections and must receive a majority of all the votes cast. The corrected returns also showed that the "dispensary" amendment was carried in South Dakota; but the legislature subsequently voted to resubmit the question to the people. The new Rhode Island constitution, which failed to receive the requisite three-fifths majority at the November election, is also to be resubmitted. The biennial sessions amendment, passed by the last New York legislature, failed to receive the support of the legislature elected in 1898. — Of **new proposals** for constitutional amendment, upon which legislative action was taken during the period under review, the most important were those looking to the disfranchisement of negroes in the South. The North Carolina legislature voted amendments borrowed from the new Louisiana constitution, *viz.*, educational, property and poll-tax qualifications, with an exception in favor of all those who had the right to vote before January 1, 1867, and of all their descendants. Similar measures were considered by the Alabama legislature. On other proposed amendments legislatures acted as follows: against woman

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suffrage, Nevada; for initiative and referendum, Missouri, Utah and Oregon;[1] against initiative and referendum, Kansas, Montana, Nebraska and North Dakota; to require for the adoption of amendments a majority of all votes cast at the accompanying election, both Dakotas; for biennial sessions, South Carolina;[1] empowering the governor to veto any item in an appropriation bill, Oregon;[1] punishing with forfeiture of office the acceptance of passes by state officers, Wisconsin; authorizing verdicts in civil cases by a majority of a jury, Missouri. — **Political legislation** in North Carolina destroyed all remnants of the "Fusion" (Populist-Republican) régime, bringing all state institutions under Democratic control and placing the government of the negro counties in the hands of Democratic state authorities. The North Carolina legislature also separated state and national elections and passed a separate railway car law. Nebraska enacted and Nevada repealed a corrupt practices act, and Indiana passed a law disfranchising for twenty years all persons convicted of selling their votes. Acts legalizing and regulating primary elections were passed in Alabama, California and Nebraska; and, by way of experiment, Minnesota passed a law, applicable to a single county only, abolishing nominating conventions and providing for the direct selection of candidates in the primaries. Wisconsin adopted a general caucus law. A local initiative in framing municipal charters was authorized in Minnesota, a local referendum on municipal ordinances in Indiana. New York repealed its "starchless" civil service law and passed a measure more satisfactory to the reformers. — **Liquor legislation** was confined to local option laws in Alabama and North Carolina (affecting only a part of each state), and a Michigan law requiring a petition from one-third of the local voters to raise the local option question and compelling druggists to record and publish weekly the names of all purchasers of liquor. — Indiana revised its poor relief law, and New Jersey established a state board of pauper children's guardians. — Compulsory education laws were passed in Colorado and Nebraska. — California enacted, for the **restraint of the press**, an anti-cartoon bill and a bill requiring that articles reflecting on the character of the living or the memory of the dead be signed by the writers. — **Marriage** between whites and persons having more than one-eighth of negro blood was prohibited in Indiana. The term of residence necessary for **divorce** was raised in North Dakota from three to twelve months. — The Negotiable Instruments Bill, recommended by the state commissioners on uniform legislation, became law in six more states — North Dakota, Oregon, Tennessee, Utah, Washington and Wisconsin. — Legislation regarding **corporations** included laws facilitating their organization (Delaware) and permitting them to lease their property and franchises to each other (New Jersey); but in the West and South the movement against corporations and trusts continued. Anti-trust laws were passed in Indiana, Minnesota and Colorado (with exceptions in favor of agricultural combinations), and also in North Carolina, Missouri, Texas

[1] Action by a second legislature necessary.

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and Arkansas; but on April 27 a state circuit court declared the Arkansas act unconstitutional as regarded pools and trusts formed beyond the borders of the state. Arkansas also created a commission with power to regulate railways and express companies and fix rates; North Carolina created a "corporation commission" to control railways, banks, and building and loan associations; Kansas reduced telegraph rates. "Valued policy" bills were enacted in Arkansas and West Virginia; vetoed, as "a legislative reward for incendiarism," in Colorado; rejected in Massachusetts. — **Tax measures** dealt to a large extent with corporations. Minnesota increased its tax upon express companies to four and one-half per cent of the gross receipts; Wisconsin imposed a one per cent gross income tax upon its insurance companies; and, in order to discourage insurance in companies not authorized to do business in the state, Kansas imposed a ten per cent and Washington a twenty-five per cent tax on the premiums. Missouri imposed on department stores heavy license taxes, increasing with the number of departments. An elaborate North Carolina law imposed taxes upon the gross receipts of corporations generally and upon the capital of banks, and also established license taxes for many lines of business and a general income tax. An inheritance tax was enacted in Michigan and a collateral inheritance tax in Missouri. Beet-sugar bounties were voted in Washington, vetoed in Illinois and in South Dakota, rejected in Oregon and in Wisconsin, reduced and limited to the years 1899 and 1900 in Minnesota. — **Labor measures** were enacted: establishing the eight-hour day for public employees (Washington, Utah), for municipal employees (Massachusetts) and in mines (Colorado); restricting the employment of women and children (Nebraska) and of young persons (Indiana); fixing a minimum air space (Indiana); forbidding the use of living rooms for manufacturing purposes (Wisconsin); establishing supervision over tenement house industries and suppressing sweat shops (New York). In Washington an anti-black-list law was passed; in Arkansas, a law protecting workmen from discharge because of membership, and from interference because of non-membership, in a union. A board of arbitration was established in Indiana, and the powers of the Illinois board were increased. A law passed in Illinois, in consequence of the disturbances at Pana and Virden (see last RECORD, pp. 759, 760), imposes penalties upon those who import laborers to a place where there is a strike without informing them of the situation, and forbids the employment of armed guards without a permit from the governor. — Colorado authorized the rendering of verdicts in civil cases by three-fourths of the jury, and Florida introduced civil juries of six. Wisconsin enacted that judges shall not be paid except on affidavit that no case submitted for decision has remained undecided for a period of three months. — Of **decisions by state courts** invalidating state laws, the most important was that rendered by the Virginia supreme court, March 16, in which the Saunders Act (depriving the judges of power to punish for contempt, in the case of offenses committed out of court, and providing

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for trial of such offenses by jury) was pronounced unconstitutional, as destroying the authority necessary to the exercise of the jurisdiction conferred by the constitution. The Pennsylvania supreme court decided, April 24, that a state law which taxed direct inheritances at the rate of two per cent, with an exemption of personal property to the amount of $5000, was "a special law, changing the law of succession," and therefore in conflict with the Pennsylvania constitution. The appellate court of Texas decided, December 18, that the Texas Franchise Tax Act was unconstitutional as to foreign corporations engaged in interstate commerce. The Missouri court of appeals sustained, May 2, the anti-trust law of 1891, and declared that debts for goods sold in Missouri could not be recovered by trusts operating as Missouri corporations. The New York court of appeals decided, November 22, that railway ticket brokerage was a lawful business and that the so-called "anti-scalping" law of 1897 was unconstitutional. A "union label" law was sustained by the New Jersey court of appeals, November 14. — For legislation respecting municipal franchises, see MUNICIPAL AFFAIRS. For anti-lynching laws and decisions, see LYNCH LAW.

MUNICIPAL AFFAIRS. — Except for the continued agitation of the question of local initiative and referendum (see preceding section), public interest and legislative activity in municipal affairs were almost wholly confined to the question of restricting private control of **municipal franchises.** An attempt on the part of the Chicago city council to extend street railway franchises to fifty years, under authority of the so-called Allen law, aroused great popular indignation, and the Illinois legislature repealed the law. The Minnesota legislature passed a bill restricting street railroad franchises to twenty years in the larger cities and to twenty-five years in the smaller. A new charter enacted by the Tennessee legislature for the city of Nashville limited franchises to twenty-one years. The New York City charter, however, was so amended as to permit the granting of franchises for fifty (instead of twenty-five) years and their renewal for twenty-five years. — Governor Pingree secured from the Michigan legislature an act empowering the Detroit council to purchase all the street railways in the city, and obtained from the council the appointment of a commission of three, with himself at the head, to negotiate the purchase. In Toledo, Ohio, Mayor Jones, who had failed to obtain renomination from his party, was reëlected by a large majority as an independent candidate on a "municipal ownership" platform. In Denver, Colorado, also, a "municipal ownership" candidate was elected; but in Cleveland, Ohio, the candidate representing this policy was defeated. — The Republican legislature of New York appointed a committee to investigate the conduct of New York City affairs by Tammany. Among others, Mr. Croker was put upon the stand; and his frank admissions converted into matters of record many well-known facts regarding the Tammany system of government, such as the control of nominations and the determination of appointments by the

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"boss," the assessment of large contributions upon nominees for judicial office and the treatment of refereeships as party spoils. Some light was also thrown upon the connection between politics and business. The committee was authorized to sit during the recess of the legislature and until January 1, 1900. — The administration of St. Louis, which is mainly controlled by Republicans, was investigated by a legislative committee composed chiefly of Democrats. The committee discovered maladministration and recommended reforms, consisting partly in the substitution of state for municipal authorities.

LABOR AND CAPITAL. — In consequence of the general prosperity of the country, and of the increase of wages in numerous important industries, labor troubles were fewer and less serious than in preceding years. The coal miners' strike at Virden, Illinois (see last RECORD, pp. 759, 760), ended November 12 with the substantial triumph of the strikers: wages were raised and the stockade about the colliery was removed. At Pana, however, the strike was still on at the close of this RECORD; and during the winter and spring there were intermittent conflicts, attended with loss of life, between the union men and the imported non-union negroes. At Mansfield, Sebastian County, Arkansas, a similar situation (strike of union miners, importation of non-union negro miners from Kentucky) arose in April and led to a conflict between state and federal authorities. Following the example of Governor Tanner of Illinois, Governor Jones instructed the sheriff to prevent the importation of the negro laborers; but the federal district court issued an injunction forbidding interference. On April 29, striking miners destroyed with dynamite mills and other property at Wardner, Idaho, to the value of $250,000. The governor promptly notified the President that, as nearly all the state troops were in the Philippines, federal assistance was required. Regular troops were promptly sent, and order was restored, without bloodshed, early in May. — **Industrial trusts** were organized (chiefly under the favoring laws of New Jersey) on an unprecedented scale. The total capitalization of new industrial corporations (mainly combinations) during the first four months of 1899 was more than $2,000,000,000, as against less than $1,000,000,000 during the entire preceding year.

LYNCH LAW AND RACE FEUDS. — The strained relations between the blacks and the whites in many parts of the South (attributed by Southern opinion to the enlistment of negro volunteers and the resultant increase of the self-confidence and the combativeness of the race) led, during the period under review, to a number of collisions and the loss of a few lives; and of the lynchings reported in the press, a large portion were of negroes accused of instigating race conflicts. Of thirty-six blacks lynched in the former slave states, but three were charged with rape. One of these was mutilated and slowly burned to death at Newnan, Georgia, April 23, in the presence of a large concourse of approving spectators. — Four whites were lynched during the six months (in Indiana, Kansas,

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Kentucky and Arkansas), two for murder, two for attempted murder. — At Galena, Kansas, April 25, a negro was lynched by a negro mob for the murder of a negro woman. — The Indiana legislature passed at its last session an Anti-Lynching Act, making the fact of lynching *prima facie* ground for the removal of the sheriff in charge. — On suit brought by the brother of a negro lynched in Orangeburg County, South Carolina, in 1897, to recover the damages authorized by the state constitution, the South Carolina supreme court decided, in April, that the damages must be paid, although the person lynched was not in the custody of the county officers. In the federal court at Louisville, Kentucky, May 5, a white jury awarded a negro $50,000 damages against six white men who, two years earlier, had "whitecapped" him, burned his house, and driven him and his family from the state. Eight persons charged with participation in the Lake City murders of February 22, 1898 (see RECORD, June, 1898, p. 375), were tried at Charleston, South Carolina, in April. Two of the persons originally indicted gave evidence for the state; but the jury was unable to agree upon a verdict.

II. FOREIGN NATIONS.

EUROPEAN INTERNATIONAL RELATIONS. — British-French relations, strained by the struggle for the control of the Upper Nile, were exposed during the winter to additional tension, by disputes regarding French fishing rights on the coast of Newfoundland and English trade rights in Madagascar; by Great Britain's assumption of a protectorate over the Sudan; and by the attempt of France to establish a station in the Gulf of Oman and to extend the limits of her authority at Shanghai. The tension was sensibly lessened in March by the conclusion of a convention defining the limits of French and British influence in North Africa. British-Russian relations were also bettered by an agreement regarding spheres of influence in China. (See BRITISH COLONIES, THE ORIENT and AFRICA). — A French-Italian commercial treaty, signed November 21, and ratified by very large majorities in the French and Italian legislatures, terminated a war of tariffs which had lasted for eleven years and had destroyed half of the trade between these countries. In both states the ratification of the treaty was attended and followed by marked demonstrations of friendly feeling. — The Anti-Anarchist Conference was opened at Rome November 24 and closed December 21. It was stated that the delegates had united upon recommendations to their respective governments, but the character of these recommendations was not disclosed. — **The Russian proposals for limiting armaments** and restraining and humanizing warfare (see last RECORD, p. 763) were more definitely elaborated in a second circular, issued early in January, in which Count Muravieff suggested, for discussion at the conference, the following points: (1) non-increase and possible future reduction of the present military and naval forces and of the appropriations for their maintenance; (2) prohibition of new firearms

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and of new powders; (3) restriction of the use of the more powerful explosives, and prohibition against throwing projectiles or explosives from balloons; (4) prohibition, in naval warfare, of submarine boats, and abandonment for the future of rams; (5) application to naval warfare of the Geneva stipulations of 1864, on the basis of the additional articles of 1868; (6) neutralization of vessels and boats employed in saving life during or after naval engagements; (7) revision and ratification of the Brussels declaration of 1874; (8) neutral mediation and, in cases lending themselves thereto, arbitration, with the object of preventing armed conflicts. These points were generally accepted as a basis for discussion, although the United States indicated that, in view of the disproportion between its armaments and those of the leading European powers, it would not be able to accept the simple prolongation of the existing status; while the Swiss government proposed that before extending the stipulations of the Geneva Convention to naval warfare, that convention should itself be revised. Difficulties were encountered in drawing up the list of invitations. Italy objected to any representation of the papacy, and it was decided to limit participation to powers maintaining armed forces. Great Britain objected, with equal success, to the representation of the Transvaal Republic. It was agreed that the conference should assemble at The Hague, May 18; and early in April invitations were issued by the Dutch government to nineteen European states, the United States of America, Siam, Persia, China and Japan. — Prince George of Greece, High Commissioner of Great Britain, France, Italy and Russia, landed in **Crete** and assumed the government of the island under the nominal suzerainty of the Sultan, December 21. For the installation of the new government the four powers advanced 1,000,000 francs each, to be repaid by a Cretan loan. On the 26th the powers withdrew their squadrons, but continued to occupy portions of the island with reduced military forces. Prince George appointed, January 7, a provisional council of twelve Christians and four Mohammedans, with Sphakianakis as president, and began to organize a Cretan *gendarmerie* under European officers. A constituent assembly, elected February 5, met on the 20th to consider a draft constitution, modelled on that of Greece, but conferring upon the prince considerably greater powers. With slight amendments this constitution was unanimously adopted March 16; was then submitted to, and approved by, the Italian prime minister and the ambassadors of Great Britain, France and Russia at Rome; and was published early in May. The only article eliminated by the representatives of the powers at Rome was one providing for the election of a prince in case the position of high commissioner should become vacant. Under the auspices of the four powers the Cretans were generally disarmed; but the attempt to restore the Mohammedans to their homes in the interior was only partially successful, and the adherents of the defeated faith continued to emigrate. Turkish estimates, early in February, placed the total emigration at 20,000; Christian estimates, at little more than half this number.

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GREAT BRITAIN AND IRELAND. — In December Sir William Vernon Harcourt resigned the leadership of the Liberal party, and on February 6 Sir Henry Campbell-Bannerman was elected as his successor. Sir William Harcourt gave as his reason for resigning that the party was rent by disputes and conflicting personal interests. His action was apparently owing to his opposition to Imperialist tendencies, while "ninety out of every one hundred Liberals," as Mr. Asquith asserted at the end of January, "believed in Imperial expansion guided by good sense." — **Parliament** assembled February 7. The Queen's speech promised many bills; among the more important matters to be dealt with it mentioned: the amendment of the conspiracy laws, for the purpose of carrying out some of the recommendations of the Anti-Anarchist Conference; the fuller organization of the government of the metropolis; local assistance to the occupiers of small dwellings in the purchase of their houses; judicial control over money-lenders' contracts; the encouragement of agricultural and technical instruction in Ireland, and the relief of Irish tithe-rent-charge payers. Of the bills measurably advanced before the close of this RECORD, the most important was the London Local Government Bill, introduced February 23. It provides that the Privy Council shall divide the metropolis (exclusive of the "city proper," which is not affected) into local government areas or "boroughs," each to have a population between 100,000 and 400,000, or, if the population is less than 100,000, a ratable value exceeding £500,000. Each borough is to have a mayor, councillors and aldermen. Other measures advanced were: the Small Houses Bill, applying only to houses valued at £400 or less, and limiting the loan in aid of purchase to three-fourths of the value; and a bill providing that professional money-lenders shall be registered and that their contracts shall be subject to judicial revision when the rate of interest exceeds ten per cent. An Old Age Pension Bill received the support of the government on the understanding that it should go before a select committee. A bill dealing with secret commissions, a subject recently investigated by the London Chamber of Commerce, was introduced, April 20, in the House of Lords by the lord chief justice. It establishes a maximum penalty of two years' imprisonment at hard labor. — The budget statement of Sir Michael Hicks-Beach, presented April 13, showed an estimated deficit for the ensuing year of £2,640,000, and proposed that this be met by reducing payments on the national debt from £25,000,000 to £23,000,000, and by increasing the stamp and wine duties. — A popular agitation against ritualistic practices and auricular confession in the **Church of England** (which was conducted, in accordance with the example given by a Mr. Kensit, by organized protests and disturbances in the offending churches, and which reached its height in the summer of 1898) was transferred to the political field, in the period under review, by a series of vigorous letters written by Sir William Harcourt and published in the London *Times*. In January and February mass meetings were held and petitions to the crown were pre-

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pared, calling for legislative action to secure the obedience of the clergy to the law. A resolution to this effect was rejected by the House of Commons February 9 (89 to 221), in consequence of Mr. Balfour's suggestion that the matter be left in the hands of the bishops; but on March 3 the House of Lords agreed to a motion for a return of the number of English churches in which confessional boxes had been set up; and on April 11 a resolution condemning lawlessness in the church, and expressing a hope that ministers of the crown would not recommend any clergyman for preferment unless they were satisfied that he would obey the bishops and the prayer book "and the law as declared by the courts which have jurisdiction in ecclesiastical matters," was adopted by the House of Commons (200 to 14), in spite of Mr. Balfour's opposition to the last clause. On May 10 a Church Discipline Bill was defeated (156 to 310), but an amendment was adopted stating that legislation would be required in case the bishops should not speedily secure the obedience of the clergy. — In January Mr. John Daly, who had been imprisoned for fourteen years for participation in a dynamite conspiracy, was chosen Mayor of Limerick. In the Irish elections of county and district councils, held April 6, the Nationalists won nearly five-sixths of the seats. Even in Ulster they elected 93 county councillors, while the Unionists elected only 78. The councils met and organized April 22. In a large number of counties resolutions were passed in favor of home rule and a Roman Catholic university. The Wexford council appointed a committee of three to meet, in Dublin, with similar committees from other councils for the purpose of discussing and taking action on matters of public interest.

THE BRITISH COLONIES AND INDIA. — **Newfoundland's** agitation against the French privileges on the Treaty Shore (see last RECORD, p. 764) was warmly supported by the Imperial authorities. In a speech delivered January 18, Colonial Secretary Chamberlain declared that the French policy in this, as in other matters, "seemed to be contrived to combine the maximum of annoyance and injury to others with the least advantage to its authors." He intimated that if France was willing to abandon her "antiquated" rights, the British government was ready to offer "satisfactory compensation." Negotiations with this end in view were conducted at London during the winter, but apparently without success. — In January the legislature of **British Columbia** passed a bill excluding aliens and all corporations except those chartered in the province from taking up or working mining claims. — Imperial grants in aid to the British **West Indies** in 1898 amounted to £120,000. Under the principle that Imperial aid must be accompanied by Imperial control, Dominica and Antigua accepted the position of Crown colonies. — To repair the damages caused by hurricane, the Imperial government promised in December and the Imperial Parliament voted in March, 1899, free grants of £40,000 to Barbados (without requiring any modification of its constitution), and of £25,000 to St. Vincent, and to each of these islands an advance of £50,000, to be loaned to

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planters for twenty-three years at three per cent interest. An additional relief fund of nearly £50,000 was raised by private subscription. — To meet a deficit in the Jamaica budget, a bill increasing the customs tariff was introduced in March, but failed to pass. On April 5, by employing for the first time in fifteen years its right to increase the number of appointed members, the government forced the bill through. This action aroused great indignation, and on the 11th the government surrendered unreservedly, withdrawing the additional members. — The premiers of the five **Australian** colonies and of Tasmania met at Melbourne January 26 and agreed, early in February, upon the following modifications of the scheme of federal union (for the original scheme see RECORD, June, 1898, pp. 377, 378): that when the two houses differ and are convened in joint session, the absolute majority shall prevail; that of the federal revenue from customs and excises, three-fourths shall be divided among the states in proportion to their contributions, but that after ten years the federal Parliament may adopt a different rule; that the federal capital shall be within the limits of New South Wales, but on federal ground and at least one hundred miles from Sydney, and that until the government buildings in the new capital are completed the federal Parliament shall meet at Melbourne. Queensland is to be permitted to elect her senators in local divisions instead of on general ticket. — Bills for the submission of this amended scheme to the people were adopted in South Australia in March and in New South Wales in April. — The Legislative Council of **India** passed, in February, a bill empowering the courts to protect all persons from bargains unfairly contracted; and in March a bill imposing countervailing duties upon imported bounty-fed sugar. The latter measure, which attracted much attention and elicited many protests in England, was defended on the ground that the importation of sugar was seriously affecting native production. The financial statement submitted to the Council March 20 showed, for 1897–98, a deficit of 5,630,000 rupees; for 1898–99, a probable surplus of 4,760,000 rupees (revised estimate); for 1899–1900, an estimated surplus of 3,930,000 rupees. — The plague became virulent again during the winter, but in April the mortality lessened. The official estimate of the total number of deaths from plague since it became epidemic was about a quarter of a million, but this estimate was believed to be too low. Of the plague riots during the six months the most serious occurred November 18 at Seringapatam in Mysore.

FRANCE. — The Dreyfus revision inquiry and the closely connected Picquart case remained central features of French politics. On November 23 General Zurlinden ordered that Colonel Picquart should be tried in December by the Paris council of war on the charges mentioned in the last RECORD. As prosecution on at least one of these charges had been initiated in the ordinary criminal court, Picquart raised the question of competence. The Court of Cassation suspended all proceedings against him December 8; and on March 3 it decided that he should be tried in the ordinary criminal court on the charges connected with the Dreyfus and

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Esterhazy cases, but that on certain other charges advanced by General Zurlinden the military court remained competent. The inquiry into the grounds for revising the Dreyfus judgment was meanwhile in peaceful progress in the criminal chamber of the Court of Cassation, when, on January 8, the president of the civil chamber, M. Quesnay de Beaurepaire, resigned from the court and opened a vehement campaign against his late colleagues. He declared that President Loew and Reporter Bard were "Dreyfusards"; he asserted that they and other members of the criminal chamber had displayed marked partiality in the treatment of witnesses; and he assigned as the reason for his resignation the failure of Minister of Justice Lebret to take action upon his complaints. The first president of the court, M. Mazeau, was requested to make an investigation. He reported January 28 that the integrity of his colleagues was beyond suspicion, but that it would be wise not to impose upon the criminal chamber alone the duty of rendering judgment. On the 30th the government introduced into the Chamber of Deputies a measure "of necessity and of appeasement," amending the law regarding revision proceedings, so that the inquiry should be conducted by the criminal chamber but the decision should be rendered by the entire court. The bill also provided that, if the court should decide to order a new trial, it should send the case to some other court than that before which the accused was originally tried. On February 10 a committee of the Chamber recommended (9 to 2) that the bill be rejected, on the ground that "courts of expediency" were a menace to security; but the Chamber passed the bill by a vote of 322 to 216, the Conservatives and Anti-Semites supporting it. On March 1 the Senate also approved it, 158 to 131. The full court at once took charge of the case; and on the 6th M. Ballot-Beaupré, who had succeeded M. Quesnay as president of the civil chamber, was chosen to draught a report. — Evidences of a change in public sentiment were afforded by numerous demonstrations in favor of Picquart, and by the acquittal in Paris, March 14, of M. Urbain Gohier, prosecuted for libelling the military in a book entitled *L'Armée contre la Nation*. — In the midst of these agitations President Faure died suddenly, February 16, of apoplexy. **The election of a new President**, by the deputies and senators convened in National Assembly, took place at Versailles two days later, and M. Émile Loubet, president of the Senate, was chosen on the first ballot (Loubet, 484; Méline, 279; scattering, 54; not voting, 66). In his inaugural message of the 21st, President Loubet declared: that it would be his chief aim to aid Parliament in securing tolerance and concord; that equal respect was necessary for all the essential elements of the body politic, the legislature, the judiciary, the executive and the army; and that he would not permit the constitutional powers of his office to be weakened in his hand. — The anti-revisionists were dissatisfied with the election of M. Loubet, and hostile demonstrations attended his return from Versailles to Paris on the 18th. On the 23d, as the troops were returning to their quarters after the funeral of the late President, MM.

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Déroulède and Marcel-Habert, deputies, endeavored to incite them to march upon the Élysée, but were placed under arrest and delivered to the police. Déroulède declared openly that it was his purpose to destroy by insurrection "the parliamentary republic," and to establish "the plebiscitary republic." Police searches were made and documents were seized at the headquarters of the anti-revisionist League of Patriots, of which Déroulède was president, at the offices of various other leagues and in the houses of several prominent royalists. The results were not made known, but it was stated that the government would take steps for the suppression of several of the leagues. — Measures had already been taken to check the anti-Semitic agitation. M. Max Régis, elected mayor of Algiers, November 20, on an anti-Semitic platform, was suspended from office December 12 and removed January 9. Criminal proceedings were instituted against him in Grenoble for inciting to murder, arson and pillage; and on April 15 he was condemned at Algiers to four months' imprisonment for publicly slandering the governor. — The legislature devoted so much of its time to interpellations, debates and resolutions on the various affairs noted above, that it was unable to deal otherwise than provisionally with the budget of 1899, and it enacted few laws of importance. In December it appropriated 200,000,000 francs for the construction of railways in French China, and in March it passed a bill establishing territorial banks of agricultural credit. — On May 6 M. Freycinet resigned from the cabinet. The reason assigned was the unfavorable reception, by the Chamber, of his explanation touching the suspension of the lectures of a revisionist professor. M. Krantz took his place as minister of War, and Senator Monestier succeeded M. Krantz as minister of Public Works.

GERMANY. — **The Reichstag** was opened December 6. Of the measures announced in the speech from the throne, the bill fixing the strength of the army for the following five years was first considered, and was passed March 16, 222 to 132. The Deputies conceded, with little opposition, eighty new batteries of field artillery and seventeen new squadrons of cavalry, but they reduced the proposed increase of the infantry by about 7000 men. In the net result, the peace footing will be increased gradually by about 19,000. On April 28 a bill was passed extending for twenty years the privileges of the Imperial Bank. Of other measures advanced the more important were: a bill amending the Industries Act (*Gewerbeordnung*), extending its provisions to persons employed in commercial occupations and dealing with the abuses of the ready-made clothing business; and a bill amending the Illness and Old Age Insurance laws. A Meat Inspection Bill encountered much opposition, especially on the part of the Conservatives, because it placed imported and domestic meats upon the same footing. — By decree of March 14 the Emperor assumed more immediate control of the German navy, abolishing the board of naval command and creating an *Admiralstab*, with a chief of staff at Berlin. — **The Prussian Landtag** met January 16. Of the measures submitted, the more

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important were the reform of the Communal Elections law, and the extension of the Dortmund-Ems canal westward to the Rhine, and eastward to the Weser and the Elbe. The latter bill was opposed by the Conservatives, on the ground that the new canals would benefit manufactures and trade rather than agriculture. — Administrative **expulsions of aliens** from Prussian territory attracted much attention, and gave rise to international friction and domestic disputes. The action of the government affected Austrian Slavs and Russian Jews in Silesia, Dutchmen in Westphalia and Danes in Schleswig-Holstein. Except in Schleswig-Holstein, the expulsions were not numerous, although at the end of November Count Thun threatened reprisals on the part of Austria-Hungary; but hundreds of Danish subjects were expelled from North Schleswig. It was admitted by the authorities that the persons expelled were harmless folk, chiefly agricultural laborers and female servants; but it was explained that their employers (who as Prussian subjects could not be expelled) were endeavoring to form Danish "enclaves." For an energetic protest against these measures, published in his *Preussische Jahrbücher*, Professor Hans Delbrück of Berlin University was subjected to disciplinary proceedings. The minister of Education demanded that Professor Delbrück be transferred to another Prussian university, without indemnity for costs of removal. On March 25 the disciplinary tribunal decided that the accused should be reprimanded and fined 500 marks, on the ground that in the form of his criticism he had exceeded the limits that should be observed by an official. — In the controversy which has been pending since 1897 between the Regent of **Lippe-Detmold** and the younger line of Schaumburg-Lippe, concerning the capacity of the Regent's children to succeed to the throne (and to which public attention was called last June by a brusque telegram sent by the Emperor, rejecting the Regent's petition that princely honors should be shown to his children by the military), a preliminary decision of importance was rendered by the Federal Council January 5. The Council declined to pass at present upon the merits of the question or to interfere, as requested by Schaumburg-Lippe, to prevent the Lippe legislature from passing a law regulating the succession; but it asserted its competence, whenever the question should become actual, to determine the validity of such an act of the Lippe legislature as against claims of succession or regency advanced by Schaumburg-Lippe.

AUSTRIA-HUNGARY. — **The Emperor's jubilee** was celebrated December 2 in all parts of the joint realm. He himself, on account of the recent death of the Empress, took no share in the festivities, but he signalized the occasion by grants of amnesty and by distribution of orders. — In November **the Reichsrath** voted down all proposals to impeach former or present ministers and continued to discuss the bills for the renewal of the *Ausgleich* with Hungary; but it was clear that neither these bills nor the budget would be passed before the end of the year, and on December 21 the legislators were sent home in order to leave the government free to issue the necessary ordinances. Another and more stormy session

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opened January 17 with a motion to impeach the entire ministry and closed February 1 with a governmental decree of prorogation. — Count Thun made arrangements with Baron Banffy in November for the renewal of the *Ausgleich*. The quota deputations had again failed to come to terms, but the two premiers agreed to prolong the economic *status quo* and to extend the union by edict in Austria and by law in Hungary. The edict was duly issued at the beginning of the new year, but Baron Banffy was unable to secure the law; for obstruction, temporarily abandoned at Vienna, had developed in its most extreme form at Pesth. — **The Hungarian Parliament** has in its rules of order no closure; and the Opposition refused to permit any business to be done. Early in December the Liberal Party adopted in caucus, on motion of former Prime Minister Tisza, a resolution empowering the ministers in case of necessity to carry on the administration and to extend the *Ausgleich* without warrant of law. This "lex Tisza" was signed by 243 Liberals, constituting more than a majority of the Chamber of Deputies; but nearly thirty members of the party refused to sign, and among the dissidents were one member of the cabinet and the president and first vice-president of the Chamber, all of whom resigned their offices. The extra-constitutional administration was warmly supported by the great majority of the Liberals outside of Parliament; and although taxes could not legally be collected, the adherents of the government thronged to the tax offices in the first week of January and paid, in many instances, not only the current taxes but an additional year's imposts in advance. The situation, however, was clearly untenable, and the dissident Liberals in particular strove to arrange a compromise. At the close of February an agreement was reached: Baron Banffy and three of his colleagues resigned, and ex-Minister Koloman Szell reorganized the cabinet. The demands of the Opposition for freer elections, restriction of official candidacies and decision of contested elections by the Court of Cassation, were conceded; and in return the Opposition pledged itself not to obstruct the passage of the laws necessary to indemnify the ministers for their unconstitutional administration, nor the voting of the budget, nor the extension of the *Ausgleich*, nor the reform (closure excepted) of the rules of the Chamber. — The sentiment of the Germans in Austria is reported to be growing more radical and anti-dynastic, and in several cases leaders deemed too moderate have been rejected by their constituents. The extent to which the leaders of the Roman Catholic factions have coöperated with the Slavs in their struggle against the German Liberals has also excited opposition. In some cases Roman Catholic constituencies have instructed their representatives to make common cause with the German parties. In many other cases the result has been a growing hostility to the Roman church and a movement for **emancipation from Rome**. Throughout the winter and spring conversions, frankly based on political considerations, were announced in many German provinces, in some cases to old Catholicism, but in most cases to Protestantism. The movement assumed sufficient dimensions to stir the

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ecclesiastical authorities to counter-agitation and the secular authorities to measures of repression.

RUSSIA. — In spite of the Russian proposal to limit armaments, or in view of its possible acceptance, the government authorized in January the construction of three battleships and three cruisers; and in March it was reported that a new rapid-fire field-gun was to be introduced in the army. The financial estimates for 1899 showed an increased expenditure of 97,500,000 rubles, and a deficit of 98,600,000 rubles, charged to railway construction. In January the Trans-Siberian Railway was running trains as far as Irkutsk, carrying thousands of emigrants towards Manchuria; in the spring work was in progress on the next section from Lake Baikal to Chita. — Famine, accompanied by typhus and scurvy, extended during the winter over eleven provinces of central and eastern Russia. Relief work was intrusted chiefly to the Red Cross Society, which, on February 1, was feeding more than 70,000 persons in the single province of Samara. — Student disturbances, beginning at St. Petersburg, spread in April to other university towns; hundreds were arrested and thousands sent home; finally, the principal universities were closed. The outbreak was ascribed by the police to socialistic and revolutionary influences. — A bill extending the Russian law of military service to **Finland** was submitted January 24 by the governor-general to the Diet of the duchy for "preliminary examination." The significance of this phrase was made clear by an imperial edict of February 15, which limited the legislative power of the Diet to matters concerning Finland alone; attributed to it, in matters of imperial interest, merely advisory functions; and reserved for imperial decision the question whether any measure should be regarded as local or as imperial. The people of the duchy regarded this edict as destructive of their independence, and as inconsistent with the constitution which the Emperor had sworn to observe. Deputations were sent to the Czar, one of them bearing a petition of remonstrance with 563,000 signatures; but audience was denied them. In April the publication of the leading political journal of the country was suspended for two months. Other decrees, issued during the winter and the spring, made knowledge of the Russian language necessary for membership in the Senate, for the higher civil offices and for military office; introduced compulsory instruction in Russian into the Finnish regiments; and abolished the Finnish postage stamps. It was reported in April that emigration was increasing rapidly.

ITALY. — To prevent the recurrence, during the winter, of the conditions which led to the May riots, the government made arrangements, in November, for the sale at low prices in the poorer communes of corn from the military storehouses and for the active prosecution of state and communal public works. A royal decree of December 29 granted full pardon or (in the case of the instigators and leaders) shorter terms of imprisonment to all persons sentenced for participation in the disturbances of May, except those convicted of crimes against life or property and those against whom

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previous convictions were recorded. The effect of the decree was to liberate immediately about 2700 persons. — **Parliament** was opened November 16. Minister Vacchelli's budget statement showed a probable deficit for the current year of more than 14,000,000 lire and an estimated deficit for the next two years of 46,000,000 lire. His recommendation of a progressive income tax was received with little favor either in Parliament or in the press. Of the measures discussed and advanced, the more important were: the Public Safety Bills, restricting the rights of assembly and of association, penalizing combinations and strikes among persons employed in public services, and subjecting newspapers repeatedly convicted of public offenses to censorship and suspension; and a bill providing for the military organization of the railway, post and telegraph services. During the last week in April and at the beginning of May the ministry was attacked upon various issues, most sharply upon its Chinese policy (see p. 386); and finding itself supported by a narrow majority only, it announced on May 3 its resignation. Premier Pelloux was directed by the King to undertake its reorganization.

SPAIN. — The first political result at home of the loss of Spain's foreign empire was the abolition of the ministry of the Colonies and the transfer of its chief, Señor Giron, to the ministry of Public Works, vacated by the resignation of Señor Gamazo. The second result was the overthrow of Sagasta's government. At the opening of the **Cortes**, February 20, a bill was submitted to them authorizing the cession of the Philippines, the government maintaining, at Madrid as at Paris, that the preliminary peace accepted by the Cortes in September did not cover this cession. After a week devoted in both Houses to criticism of the conduct of the war, the Senate rejected, by a majority of two votes only, a counter-proposition regarding the cession of the Philippines which the ministers had refused to accept. On the following day, March 1, the ministers resigned, and on the 4th a **Clerical-Conservative cabinet** was formed by Señor Silvela, who assumed the conduct of Foreign Affairs. The other members were: Marquis Villaverde, Finance; General Polavieja, War; Admiral Gomez Imaz, Marine; Marquis Pidal, Public Works; Señors Duran and Dato, Justice and Interior. The program of the new government was announced to be retrenchment and reform. On the 6th the legislature was dissolved, without passing the enabling bill introduced by Sagasta, and the treaty of peace was signed by the Queen Regent on the 17th. The elections held April 16 and 30 trebled the number of Silvela's adherents, and gave the new cabinet a majority of 85 in the Chamber and 41 in the Senate. — The Sagasta government announced in December that it would pay the January interest on the Cuban debt; and the Silvelist program recognized this debt, seven-eighths of which is held in Spain, but intimated that it might be necessary to tax the holders. New loans were contracted in the autumn for the evacuation of Cuba and the Philippines; in the spring, for the payment of the repatriated soldiers, who were beginning to make demonstrations and were being stirred to revolt by

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Carlist agents. — Carlist intrigues were assigned as the reason for maintaining the state of siege throughout Spain (until February 8, when the constitutional guaranties were reëstablished) and for increasing the effective force of the army to 140,000 at the cost of 20,000,000 pesetas.

MINOR EUROPEAN STATES. — The Storthing of **Norway** passed for the third time, November 11, a resolution introducing a purely Norwegian flag without the emblem of union with Sweden. Under the constitution this measure became law without the signature of the King. It was announced at the same time that the Norwegian government had negotiated a loan of 20,000,000 crowns for military purposes. In January, because of the King's ill health, Crown-Prince Gustavus was intrusted with a temporary regency. He was received at Christiania in March with unfriendly demonstrations. — In **Belgium**, during the winter, there was much agitation of suffrage questions. The multiple vote accorded to many persons by the present law is satisfactory to the Clericals only; and the Christian Democratic party, led by Daens, a priest, is striving, apparently with success, to secure the coöperation of the Liberals and Socialists on the platform of equal manhood suffrage and proportional representation. Ministerial differences on the question of district or general tickets, in which the King intervened in favor of the "uninominal" system, led on January 24 to the retirement of the premier with one of his colleagues and the reconstruction of the cabinet. Forty-eight thousand Belgian miners were on strike during the latter half of April. — In **Switzerland** the Federal Assembly elected Vice-President Müller to the presidency and M. Hauser of Zurich to the vice-presidency of the confederation for the year 1899. Both are Radicals. The final consideration of the Illness and Accident Insurance Bills and of the bill for governmental insurance of military persons was postponed. On November 13 the Swiss people voted, 264,000 to 99,000, in favor of the unification of the civil and criminal law (see last RECORD, p. 772). — In **Greece** the Zaimis ministry dissolved the Chamber in November and appealed to the country with a program of military, administrative and educational reforms suggested by the King, including competitive examinations for office and the control of the civil service by a special council. The elections of February 19 failed to give the ministers a working majority, and in April they yielded place to a Trikupist cabinet headed by Theotokis, who is said to have accepted in the main the King's reform measures. — Changes of ministry occurred in **Bulgaria** in January and in **Roumania** in April. Elections in Bulgaria May 7 gave the new ministry a strong majority. In January a committee of **Macedonian** Christians issued an address to the great powers complaining of Turkish oppression, demanding autonomy, and intimating that despair might drive them to insurrection. A counter-demonstration was promptly organized by Albanian Mohammedans, protesting loyalty to the Sultan and declaring their readiness to put 20,000 men in the field. Sporadic conflicts followed in February; strong Turkish forces were thrown into the disturbed districts in March; a conflict occurred

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April 2 between Bulgarian and Turkish outposts; but the joint diplomatic action of Russia and Austria preserved peace. — In **Asiatic Turkey** great suffering and impending famine were reported among the Armenians. An Arab insurrection in Yemen, which was said to have been crushed in August, was maintained through the winter, and in April the insurgents were said to have gained advantages over the Turkish forces.

THE ORIENT. — A controversy over a proposed French coaling station in the Gulf of Oman aroused temporary excitement in February. The Sultan of Oman ceded to France the harbor of Bender Jisseh, near Muscat; Great Britain demanded that he revoke the cession; the Sultan refused until February 16, when he yielded to an ultimatum supported by British war vessels. Negotiations between Paris and London resulted in an agreement that France should have a depot but not a station. — In **China** the Emperor remained in compulsory retirement, and the Empress Dowager adhered to her reactionary policy. Although insurrectionary movements spread during the winter from the southern to the central provinces and were attended by further attacks upon missionaries and other foreigners, no steps were taken to modernize the Chinese army: on the contrary, the European drill-masters were generally dismissed. In spite of foreign protests, a large and disorderly army was kept in the neighborhood of Peking; and in November the United States followed the example of the other powers in sending marines to the capital. — Further partition of Chinese territory was prevented only by European dissensions. The destruction of a French missionary settlement gave France opportunity to renew her claim for an extension of her Shanghai settlement. War vessels were sent to Nanking, and on December 6 an ultimatum was presented. An energetic remonstrance from Great Britain, supported by the United States, Germany and Japan, resulted in the withdrawal of this demand and the acceptance of a compromise proposed by the British government, namely, the extension of the general foreign settlement. On February 28 the Italian minister asked for a lease of Sanmun Bay, on the same terms on which Germany took Kiaochau Bay in 1897, with a sphere of influence covering two-thirds of the province of Chekiang. The request was supported by Great Britain and Japan, on the understanding that it should be pressed by negotiation only. It was opposed by France and Russia; and the Italian note was returned. On the 11th the Italian minister presented an ultimatum; but his action was promptly disavowed at Rome. In March Belgium expressed a desire for a settlement in Hankau similar to that already granted to Russia; and in May Japan solicited a like concession at Amoy. In April Great Britain secured the control of the customs in the native city of Kaulung, opposite Hongkong, which was excepted from the cession in June, 1898. British occupation of this new extension was attended with rioting and bloodshed. Similar occurrences marked the assertion of Russian influence in Talienwan in February and of German influence in Shantung in March. — The struggle

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of the nations, with China and with one another, for railway and mining concessions continued through the winter. In the spring Russia renewed her attack upon the Niuchwang contract, and Great Britain hers upon the Chingting-Hankau concession (see last RECORD, p. 775); but in April the two powers entered into a formal compact defining their respective spheres of economic action. Great Britain promised not to interfere with Russia north of the Great Wall, and Russia made a similar promise to Great Britain relative to the basin of the Yangtse. — **The Japanese Parliament**, confronted with a deficit of 30,000,000 yen, voted December 21 to increase the land-tax.

AFRICA. — **Egypt's** revenue exceeded her expenditures in 1898 by £496,000, and it was announced that the land-tax would be reduced. Pending negotiations for the limitation of the jurisdiction of the Mixed Tribunals, the Egyptian government proposed, and the powers accepted, their prolongation, not for the usual quinquennial period, but for one year from February 1. Great Britain's position in **the Sudan** was defined in January by a British-Egyptian convention, which places the reconquered provinces under the two flags and intrusts their government to a governor-general, appointed and removed by the Khedive with the consent of Great Britain. Lord Kitchener was appointed governor-general. The Egyptian budget for 1899 estimates the receipts from the Sudan at £39,500, the expenditures at £356,775. Public works in progress include: the Sudan Railway, to be completed as far as Khartum in November; a gigantic reservoir south of Assouan, above the first cataract; and a Gordon Memorial College near Omdurman, for which an endowment of more than £120,000 has been raised by subscription. A Dervish force, several thousand strong, was defeated December 26 on the Blue Nile, 426 miles south of Khartum; but the Khalifa remained at large in Kordofan. — **A British-French agreement**, signed March 21, not only settled the dispute regarding the Upper Nile, but delimited the spheres of action of the two powers in central Africa from the northern boundary of the Congo State to the southern boundary of Tripoli. It assigned to the English sphere the upper Nile and its affluents, the kingdom of Darfur and the Libyan desert; to the French, the affluents of the Congo, the kingdom of Wadai and the eastern and northern portions of the basin of Lake Chad. It also extended from Lake Chad to the Nile the system of equal trade privileges established by the Niger Convention of June 14, 1898. The agreement excited dissatisfaction in Italy because it assigned to the French sphere territories which the Italians regard as the hinterland of Tripoli. — British grievances regarding French restrictions upon trade with Madagascar were partially removed in December by the announcement that the coasting trade of the island was again opened to foreign vessels. — Petty native wars or punitive raids were conducted by the British in Uganda, in Nigeria and in Sierra Leone; by the Belgians (with apparently serious reverses) in the Congo State; by the French on the Ivory Coast; and by

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the Transvaal Boers in Magatoland. — In **the Transvaal**, Uitlander demonstrations against the government culminated, March 21, in a petition to Queen Victoria signed by 21,000 British subjects, declaring that their position was intolerable and beseeching her majesty's protection. The governor of the Cape Colony received the petition and transmitted it to England. A month later 9000 Uitlanders signed a declaration that foreign interference was unnecessary and inadvisable. — In the Volksraad of the Orange Free State proposals for federation with the Transvaal were debated in April. The President declared, April 15, that federation was impossible under the convention with Great Britain, but expressed a hope that the British government would remove the restriction. — The Cape Colony Assembly passed, December 2, a bill pledging an annual contribution of £30,000 to the Imperial Navy. Supplementary elections held in April gave the Afrikander Bond a majority of six votes.

LATIN AMERICA. — **Revolutions** were effected: in San Salvador in November; in Bolivia, after two months' fighting, in February. Insurrections were crushed: in Ecuador in January; in Nicaragua, Costa Rica and Venezuela in February. Martial law ceased and constitutional government was reëstablished in Peru January 1 and in Uruguay March 1. Peaceful changes of administration occurred in Paraguay in November, in Honduras in February, and in Uruguay in March; but the recognition of the new President of Honduras was owing rather to the support of the military than to the clearness of his title. — The revolution in San Salvador was inspired by opposition to the federal union with Honduras and Nicaragua, which nominally came into existence November 1; and as Nicaragua declined to take up arms in support of the union, it was declared, November 30, to be dissolved. During the insurrection in Nicaragua customs dues were paid by United States citizens at Bluefields to the *de facto* government of the insurgents; with the reëstablishment of lawful authority these dues were demanded for the second time; additional war vessels were sent by the United States, and a compromise was arranged pending the settlement of the dispute by negotiation. — Ecuador put its finances on a gold basis in March. — **Arbitration** respecting the boundary between Chili and the Argentine progressed in accordance with the agreement of 1898. As regards the Atacama district, the United States minister to the Argentine rendered his decision March 25, dividing the disputed territory. As regards the southern portion of the boundary, arbitrators appointed by the British government began their labors in March. Both countries have reduced their armaments. In March Brazil accepted Great Britain's proposal to submit the Guiana boundary dispute to arbitration; and in May it was reported that Hayti and San Domingo had agreed to refer a similar controversy to the decision of the Pope.

MUNROE SMITH.

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